Daily Report

Latin America

FBIS-LAT-88-097
Thursday
19 May 1988

Daily Report
Latin America

FBIS-LAT-88-097 *19 May 1988*

CONTENTS

CARIBBEAN

Cuba

U.S. May Expel 'Terrorist of Cuban Origin' 1
Panamanian Economic Situation Viewed 1
Santiago de Cuba Official Cited on New Districts 1
FAR Union Honors National Vanguard Workers 2
Trade Delegation Arrives in Beijing for Talks 2
Meets Foreign Trade Minister 2
Briefs 2
New Crop Insurance 2

Bahamas

Opposition Scores Pindling National Service Idea 2

Dominican Republic

Trade Unions To Meet With Archbishop on Demands 3

Grenada

Agreement Signed With UK on Navy Personnel 3
Bishop Movement To Hold First Convention 3

Haiti

Prefects Called to Meeting on Election Results 3
Two Casecs Complain About Reported Salary 4
Director, Chief Editor on Goals of Newspaper 4
Workers Organization Holds Anniversary Rally 5
Industrialist Held for Weapons Possession Freed 6

Jamaica

Seaga Boycotts Forum To Protest Drug Charges 6
Media Coverage of Soviet Mission Criticized 6

St Christopher and Nevis

New Development Bank President Elected 7

CENTRAL AMERICA

El Salvador

Rebel Attacks Cause San Salvador Power Outage *[AFP]* 8

Guatemala

Cerezo Names Civilians Involved in Foiled Coup 8
Defense Minister Comments on Coup Attempt *[PRENSA LIBRE 15 May]* 8

Honduras

Armed Forces Head Discusses Brother's Arrest 10
Government Names Acting Ambassador to Panama 11
Taiwanese Foreign Minister Ting Arrives *[Taipei CNA]* 11
Meets Officials *[Taipei CNA]* 11

Nicaragua

Government-Contra Talks To Resume 25 May 12
RN: Date Not Confirmed *[San Jose]* 12
Ortega on U.S. Aid, Contra Talks, Cease-Fire 12

Panama

Officials Address 'Working Meeting' in Veraguas 13
Solis Palma 13
Foreign Minister Ritter 17
Military Attache Position in U.S. Abolished 18
Arrest of Two Dismissed Consuls Ordered *[MATUTINO 18 May]* 19
Comptroller: 13th-Month Payments Staggered 19

SOUTH AMERICA

Argentina

Alfonsin Terms PRC Relations 'Very Important' 20

Brazil

Debt Negotiators Return; Talks Suspended 20
Venezuelan Minister Arrives, Signs Accords 21
NBC-Capable Armored Car Undergoing Testing *[O ESTADO DE SAO PAULO 15 May]* 21

Paraguay

Pope Departs Country for Rome on 18 May 21
Priest, Union Leaders Released 17 May *[EL DIARIO 18 May]* 21

Peru

Prime Minister on Antiterrorist Organization 21
Incoming Foreign Minister to 'Maintain' Policy 22
Ayacucho Mayor Accuses Military of 'Genocide' *[EFE]* 23
Barrantes on Government Cooperation, Coups 23

Uruguay

UK-Argentine Talks 'Might Begin' in Montevideo 23

Guyana

President Hoyte Returns From London, Brussels 23
Guysuco Holds Emergency Meeting on Drought 24
Paper Fails To Appear Due to Newsprint Shortage 24

Suriname

Talks Held on Resuming Aid to Suriname *[Rotterdam NRC HANDELSBLAD 9 May]* 24
Talks Break Down *[Amsterdam DE VOLKSKRANT 13 May]* 25
Details of Breakdown *[Amsterdam DE VOLKSKRANT 13 May]* 25

Cuba

U.S. May Expel 'Terrorist of Cuban Origin'

FL1805124088 Havana Tele-Rebelde Network in Spanish 1100 GMT 18 May 88

[Text] Federal U.S.immigration officials have said that Orlando Bosch, a terrorist of Cuban origin, may be expelled from the United States because he is considered to be a danger and a threat.

Press agencies have reported that the Immigration and Naturalization Service in Washington has instructed their Miami branch office to begin the deportation process.

Bosch is the mastermind of a bomb attack that destroyed a Cuban passenger plane in midflight in 1976 near Barbados, causing the death of 73 people. He has been in prison in Miami since his clandestine return from Venezuela in February.

A civilian tribunal in Caracas exonerated him of the charges 4 months ago after serving 11 years in prison.

Sectors of the Cuban population in Miami are lobbying to prevent Bosch from being deported to Venezuela.

Panamanian Economic Situation Viewed

PA1905043388 Havana International Service in Spanish 2300 GMT 17 May 88

["Our America" commentary by Manolo Ortega]

[Text] After being closed for 67 days, the reopening of Panamanian banks could be regarded as a positive step toward the normalization of the local economy, which has been severely hit by the virtual trade embargo imposed on the isthmian nation by the United States.

Nonetheless, we should point out that the economic measures taken against Panama, in accordance with Washington's strategic interests, seriously jeopardize that country's future. We say this because, as the date nears for the transfer of the canal to Panama, the White House has not hesitated to impose all kinds of measures on the current Panamanian Government, including economic measures, so as to prevent that transfer.

Economic pressures intensified in October 1987, with the suspension of U.S. economic and technical aid worth $100 million, and reached their most dangerous level in March 1988, when the United States decided to freeze Panamanian Government funds deposited in U.S. banks. That almost paralyzed the Panamanian economy and forced the National Banking Commission to order the closing of banks for more than 2 months due to the lack of cash.

Another move that greatly affected the Panamanian economy was the U.S. restriction on imports from the isthmian nation, representing almost $230 million in losses. Likewise, the removal of Panama from the Caribbean Basin Initiative and its loss of preferential trade status will represent a loss of $40 million in revenue. These restrictions are of even greater significance when one takes into account that exports to the United States account for 66 percent of Panama's trade.

Toward the middle of 1987, the effects of Washington's measures against Panama began to be felt, as reflected in the country's economic growth, which barely reached 3 percent. In addition, rumors regarding the country's financial instability triggered withdrawals of $50 million from local banks. As if this were not enough, the U.S. Government prohibited U.S. citizens and corporations from making any payments to the Panamanian treasury, and also suspended all payments due Panama for the use of the Panama Canal; a measure that not only violates the Panama Canal treaties but also deprives the Panamanian economy of almost $100 million.

This is not the end of this story. We can examine the reduction in the Panamanian GNP and other consequences of the brutal pressure exerted on a nation that struggles to maintain its sovereignty.

The state of the Panamanian economy shows serious social and political difficulties, but it also warns other area countries, because their solidarity is a determining factor to make the Reagan administration understand that all its actions are useless in view of the Panamanian people's firmness.

Santiago de Cuba Official Cited on New Districts

FL1805144988 Havana Radio Progreso Network in Spanish 1100 GMT 18 May 88

[Telephone report by (Esteban Revigaranda) from Santiago de Cuba— monitored in progress]

[Text] ...the PCC (?Politburo) confers on Santiago de Cuba, said Alfredo Jordan Morales, first secretary in the Santiago de Cuba Municipality, the approval of the plan to create urban districts in the large cities beginning here.

Jordan Morales, who is also a member of the PCC Central Committee, has said that the people of Santiago de Cuba will turn into a great victory the agreement made by the party leaders to improve the political-administrative division approved by the third congress.

The structure approved for the Santiago de Cuba Municipality includes the creation of the 26 July, Jose Marti, Antonio Maceo, and Abel Santamaria Districts. People's Councils will also be created in the towns of Cobre, Siboney, Cristo, Caney, and Ramon de las Yaguas.

FAR Union Honors National Vanguard Workers

FL1905020288 Havana Television Service in Spanish 0000 GMT 19 May 88

[Text] A group of workers were decorated today with the national vanguard seal of the National FAR Civilian Workers Union [SNTC-FAR].

[Begin recording] [Eduardo Crespo Perez] The socialist emulation played a very important and decisive role in meeting production plans, training services, and, in particular, with our trade union, the elevation of combat readiness of the [word indistinct] FAR. [end recording]

The event took place during the week which pays tribute to the vanguards of the organization, and which will continue until 22 May. Roberto Veiga, member of the PCC Politburo and secretary general of the Central Organization of Cuban Trade Unions, and Division General Rogelio Acevedo Gonzalez, member of the PCC Central Committee and chief of the Central Political Directorate of the Ministry of the FAR, were present at the event. A trophy and an accreditation certificate was also presented for the Museum of the Revolution as an outstanding center and the best collector of its specialty. The workers have made efforts for the restoration and maintenance of this historical place. Division General Rogelio Acevedo closed the event.

[Begin recording] [Acevedo] As a [word indistinct] of vanguards, in 1987, 104 comrades whom we pay tribute to today have been selected as vanguards after rigorous selection. On behalf of the minister of the FAR, the SNTC-FAR, and myself, congratulations. [applause]

Trade Delegation Arrives in Beijing for Talks

FL1605232988 Havana Radio Rebelde Network in Spanish 2300 GMT 16 May 88

[Text] A Cuban delegation headed by Jose de la Fuente, vice foreign trade minister, arrived today in Beijing to begin talks on trade between the two countries for next year.

Meets Foreign Trade Minister

FL1805152588 Havana Radio Reloj Network in Spanish 1432 GMT 18 May 88

[Text] Zheng Tuobin, minister of foreign economic relations and trade of the PRC, has received a Cuban Government and trade delegation headed by Jose de la Fuente, vice minister of foreign trade. Cuban official sources reported that trade relations between the two countries were examined and views were exchanged on their outlook.

Briefs

New Crop Insurance

The Cuban State Committee for Finance has just approved six new insurance programs, which will go into effect this year, to better protect agricultural production. The current national insurance programs which protect cane, tobacco, coffee, and cacao crops have been used as a basis for the new plans. A analysis has also been made of the opinions given by the producers of these crops. The new programs will attempt to compensate the workers of individual cooperatives for damages to their harvest, property, and animals caused by natural phenomena, accidents, and illnesses, as well as other risks as the policy stipulates. It has been reported that last year the state national insurance program payed 20 million pesos as compensation for damages to insured harvests. [Text] [*FL1305191488 Havana Radio Rebelde Network in Spanish 1700 GMT 13 May 88*]

Bahamas

Opposition Scores Pindling National Service Idea

FL1805205188 Bridgetown CANA in English 2200 GMT 16 May 88

[Text] Nassau, Bahamas, May 16, CANA—The opposition Free National Movement (FNM) has attached Prime Minister Sir Lynden Pindling's suggestion he might introduce national service to the Bahamas, but has hinted the party might go along with the introduction of "a non-military youth corps..."

In a press statement, opposition leader Cecil Wallace-Whitefield said national service is a "large and serious issue" needing "full exploration and bi-partisan design."

During a recent parliamentary debate on a government-sponsored motion to appoint a select committee to look into crime, law enforcement and national security, Prime Minister Pindling mooted the idea of national service for "every Bahamian male between the ages of 18-30 years old." Sir Lynden said the move would be his government's attempt to "protect the infrastructure which has propelled the Bahamas into a world-class tourist resort and banking centre..."

But the opposition leader blamed "a multitude of governmental shortcomings" for a broadly perceived breakdown in law and order here, and said government has "failed to create the infrastructure which would have prevented the calamity..."

Saying the opposition is the "watchdog of the people" and speaks on behalf of "all the people" Whitefield insisted government should "leave our children alone." He said government cannot "arbitrarily" take the young people and put guns into their hands "unless you have first talked to us ... and secured our agreement." If

government wants to rehabilitate young people "lawfully committed to its care, perhaps a non-military youth corps could be helpful in this endeavour..."

Dominican Republic

Trade Unions To Meet With Archbishop on Demands

FL1805153388 Santo Domingo Radio Popular in Spanish 0937 GMT 18 May 88

[Text] Trade unions today [as heard] will meet with the archbishop of Santo Domingo. This meeting will decide whether or not they will attend the tripartite talks which were suspended through 17 May, said the secretary general of the United Central Organization of Workers [Central Unitaria de Trabajadores, CUT].

Efrain Sanchez Soriano said the trade unions expect Msgr Nicolas de Jesus Lopez Rodriguez to have the answers tomorrow to the demands they made to the National Council of Businessmen and the government. Sanchez Soriano reiterated that the answers they receive will decide whether or not they attend the tripartite talks.

The meeting between the archbishop and the trade unions will be held tomorrow at 0900 [1300 GMT].

Grenada

Agreement Signed With UK on Navy Personnel

FL1705192088 Bridgetown CANA in English 1811 GMT 17 May 88

[Text] St George's, Grenada, May 17, CANA—Grenada and Britain have signed a memorandum of understanding related to the provision of Royal Navy personnel on loan to the local Coast Guard.

Under the agreement, two British Navy officers will be arriving in Grenada towards the end of the year to begin a two-year assignment, an official release said. The agreement makes provision for Grenada to ask Britain for replacements if the need arises.

The Britons will assist the Grenada Coast Guard in maintaining and improving operations, engineering and support in its tasks of life saving, fisheries protection and law enforcement in illegal drug trafficking.

The agreement was signed between Acting Prime Minister Ben Jones and the Barbados-based British High Commissioner to the Eastern Caribbean Kevin Burns.

Grenada recently took possession of two small Coast Guard vessels from the United States to help in the fight against the illegal drug trade.

Bishop Movement To Hold First Convention

FL1705201588 Bridgetown CANA in English 1938 GMT 17 May 88

[Text] St George's, Grenada, May 17, CANA—Grenada's small Maurice Bishop Patriotic Movement (MBPM) has announced plans to hold its first-ever convention later this month.

A party release said the convention on May 28-29 would coincide with three other major events planned by the group—African Liberation Day celebrations, the 4th anniversary of the launching of the party, and the 44th birthday of the late Prime Minister Bishop, after whom the party has been named.

The MBPM was launched on May 29, 1984 by supporters of Bishop in an effort to continue the Grenada revolution which was prematurely ended when the prime minister was executed in a palace coup seven months earlier. A U.S. invasion followed.

In general elections held in December 1984, the group failed to win any of the 15 parliamentary seats at stake.

The release said that the convention was intended to give the MBPM better organisational capabilities and to put the party on a "proper footing to continue the peoples struggles."

The convention would be held under the theme "MBPM—Towards Patriotism and Organisation for Peoples Democracy."

Haiti

Prefects Called to Meeting on Election Results

FL1305221088 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 13 May 88

[Excerpts] There was a big meeting attended by all prefects on Wednesday, 11 May, in Port-au-Prince. Prefects from all the geographical departments met with Interior and Decentralization Minister Yves Auguste at the ministry. Also present at the meeting were (Francois Martol), secretary of state for the interior; (Anacita Duperval), director of communal affairs; and (Joseph Dumena), head of the prefectural affairs department. LE PROGRESSISTE HAITIEN reports that the meeting began at 1000 and ended at approximately 1400.

The prefects were summoned to a special meeting to be given the official gazette, LE MONITEUR, containing the results of the Casec [Administrative Councils for the Communal Sections] elections. They were ordered to convey the results of the Casec elections to each magistrate in their area. They were also authorized to preside over the ceremonies to install and swear in the new Casecs.

Ministry officials and the prefects had a long talk. The prefects presented their complaints regarding the problems each encountered in their respective areas.

However, the minister and the secretary of state took advantage of the occasion to inform the prefects that their period of service is almost over. They are going to be removed and replaced by delegates in all departments, and there are vice delegates planned for each administrative district. They pointed out that the position of delegate is a requirement for development and decentralization, and that it is a better expression of democracy as defined in the country's general political line and the Constitution.

They also pointed out that certain prefects who have shown themselves to be competent and serious and very devoted to their work will most probably be called upon again. They will become delegates. [passage omitted]

However, the question now is this: Is what they announced they will do with the delegates—namely, appoint them—what the Constitution stipulates?

Before, the executive used to appoint its representatives, the prefects. The Constitution of 29 March 1987 sees things differently. There will not be representatives of the executive, prefects, in the provinces. Rather, there will be representatives of the people. Therefore, delegates are not to be people appointed by the central power, but rather people who are elected through the procedure provided for in the Constitution. We will have occasion to talk about this again in the future.

Two Casecs Complain About Reported Salary

FL1705203588 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 17 May 88

[Text] The Carrefour and Gressier Casecs [Aministrative Councils for the Communal Sections] have issued Communique No 8.

They say that Radio Nationale has reported that the Casec members' salary has been set at $50. They state in their communique that they have obtained confirmation of sorts about this from certain government officials. They add that upon hearing this, the Casecs felt they had been slapped in the face.

They assert that they have no intention of allowing their social victory to degenerate into the status of a servant. Neither do they want confusion between the objectives of the social and economic change they are seeking and a certain form of degradation.

[Words indistinct] Casecs from Gressier and Carrefour remind the authorities that the Casec salary should have been set only after studies had been conducted. There should have been negotiations and discussions in the legislature, as was done for the other elected positions, such as magistrates and so forth. Only then should they have set the Casec salary. They should not have arbitrarily decided that the salary will be $50.

This is what the Casecs from Carrefour and Gressier say in their Communique No 8.

Director, Chief Editor on Goals of Newspaper

FL1705153388 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 16 May 88

[Excerpts] Over the weekend, we interviewed Adyjeangardy, who is the president and general director of the newspaper ENQUETES, and Marie Laurence Jocelyn Lassegue, ENQUETES editor in chief.

ENQUETES was a weekly that had been on the market since September 1986. It has now become a daily.

In the interview they talked to us about what they wish to accomplish. They want to conduct investigations and bring everything out in the open. They particularly want to work in favor of the masses and feel that another daily paper is a must for all Haitian readers. They do not intend to offer the news reports of foreign press agencies nor do they intend to offer just news reports, but rather accurate, well-investigated information.

They ask the public to encourage them by subscribing to ENQUETES or by buying it daily because it costs more to publish it daily.

[Begin recording] [Adyjeangardy] First of all, we are going to continue to do our job as journalists. We are going to get information, pass it on, seek out things to investigate, make public the results of our investigations on what is going on in Haiti and abroad, on how Haitians live in Haiti and also how they live abroad. This will be done in order to see how we can participate directly in the work of political and economic development and how we can develop education by means of a daily paper that will provide information on the people living in the hills and the people living in town and on people living in Haiti and abroad.

Second, the paper will primarily publish its own news. I mean, we are not going to carry foreign press agency reports on the front page or seek newspaper articles abroad and carry them in our paper. We don't call that being a newspaper. We think that what we want to do is a dream that we are making into a reality—to have in Haiti a national paper that talks about life here.

[Reporter] But in order to carry out all these investigations, don't you have to have a lot of journalists helping you?

[Lassegue] Yes. First of all, the paper itself has some 10 people working for it. The way we see the paper—and this is the way we saw the weekly too— we consider the paper a support for the work that all other journalists are doing, at the radio stations, for example. So, of course, if for example, there is a radio station that is conducting an investigation, doing a bit of work that can concern the entire community,

we at the paper will also speak of it. So, if you like, the daily constitutes support for the work of all journalists, both in Port-au-Prince and in the provinces.

[Reporter] But didn't you have a lot of trouble conducting those first investigations on the first topics you have already broached?

[Adyjeangardy] Yes, many difficulties, because, as you know, in Haiti in general, people don't like to make statements, nor do they like to talk, and it is difficult to find... [changes thought] When I say they don't like to talk, it depends on which sector.

They like to talk and give information on what is happening to them, especially among the masses. But in general, as regards the administration, many doors are closed.

ENQUETES does have something on its side—the objectivity and honesty it has shown since its creation. We have never slandered or gossiped. We always analyze what is going on and try to get figures, too. [passage omitted] We always give precise information and don't necessarily reveal our sources when we get information, (?until) we manage to verify, of course, as the law requires. [passage omitted]

There is not really a change in the paper. It's just that instead of appearing weekly, we now appear daily. [passage omitted]. It is the same team at work. [passage omitted]

[Reporter] Can you tell us what the true line of ENQUETES is?

[Lassegue] We want the paper to be a paper that gives information concerning Haiti, concerning the Haitian people, and we want to be objective. That is, ENQUETES is in a way a spokeman for the demands of the Haitian people. [passage omitted]

Anyone can come to the paper and give us a dossier. We will respect our sources. If he wishes to sign his text, he may. If he does not wish to sign it, he does not have to. In the past, people came and gave us leads—for example, they would say we work here or there, there is such and such a problem, we would like you to investigate it, to talk about it in order to improve our working conditions. We will continue this same work in the daily. [passage omitted] [end recording]

Workers Organization Holds Anniversary Rally

FL1705150088 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 16 May 88

[Excerpts] [Passage omitted] On the occasion of its anniversary, the CATH [Autonomous Haitian Workers Central] held a big rally on Saturday, 14 May, at its new headquarters on Rue des Miracles.

Several political organizations and figures were present at the rally, which was a big day for them within the framework of the struggle they are waging for the liberation not only of the workers but also of all other sectors struggling to change their difficult living conditions.

Among the speakers was Father Jean Bertrand Aristide. He opened the rally with a request for blessings not from the bigshots' God, he said, but from the God of the poor. He asked Him to continue, as He has for the CATH's 8 years, to help all CATH members, all peasants, all workers, and all the poor by sweeping away all the evil people seeking to crush and mistreat them.

Father Aristide hailed the CATH's efforts as a labor union to bring a little light to the workers, who can now distinguish their friends from their enemies, and to make the workers understand the situation: the property owners are abusing them, the state is crushing them, and other reactionary sectors are roughing them up.

Father Aristide said that only the proper organization of CATH, of unions, other sectors that love the masses, workers, and peasants, can lead to proper change, meaning real change. He said that for this reason, the CATH's anniversary should serve as a shot in the arm, as vitamins, as encouragement to pedal harder along the road to liberation. [passage omitted including indistinct portions]

After Father Aristide's speech, CATH Secretary General Yves Antoine Richard presented an overview of the struggle CATH has been waging for the past 8 years. [passage omitted] Speaking for CATH, he denounced the maneuvers the government and other reactionary sectors are carrying out against the struggle in favor of the workers and peasants. He declared that the CATH was determined to keep struggling in favor of these people.

[Begin Richard recording, in progress] ...work so that democracy may may blossom in Haiti, but a participative democracy, in which it is the Haitian people who make the decisions. But in order for us to be able to struggle for democracy, there must be unity among us—unity [words indistinct] CATH, unity [words indistinct] all wheeler-dealers. We would like all (?progressive forces to struggle) for a revolution [words indistinct] in Haiti in which the masses feel they are in power, in which the masses feel that they are directing their country politically, economically, and socially.

We say: Long live CATH! Down with military raids in factories! Down with the wheeling-dealing, manipulative Manigat! Long live democracy! [applause] [end recording]

Several other people also spoke to express their support for the workers' struggle.

In conclusion, we can say that the atmosphere Saturday was a real shot in the arm, a real encouragement, to the CATH.

Industrialist Held for Weapons Possession Freed

FL1705165388 Port-au-Prince Radio Haiti-Inter in Creole 2000 GMT 16 May 88

[Text] We have learned that Mr Pierrot Coles has been released. Coles was arrested last 13 May. According to people very close to Coles, it seems there was a plot against him.

Pierrot Coles, a well-known industrialist, was arrested and accused of having weapons, olive-green uniforms, and a number of other (?things) that he should not have had, in his home.

According to people very close to Coles, an employee whom Coles fired was furious and had gone and lied about Coles, denouncing him. These people said that the employee had been fired for theft. They did not say what the employee had allegedly stolen.

These same people added that Coles does indeed have weapons at home, but that he has a permit to carry a weapon. They also say that the uniforms at his home are olive-green uniforms that he wears when he goes hunting.

Coles was released on 14 May, the day after his arrest, the same source said, confirming to us that important, very high-level contacts had been made in order to get Coles released.

Jamaica

Seaga Boycotts Forum To Protest Drug Charges

FL1805164088 Bridgetown CANA in English 1857 GMT 14 May 88

[Excerpts] Kingston, Jamaica, May 14, CANA—Jamaican Prime Minister Edward Seaga boycotted a U.S. drug conference in Kingston this week to protest Washington's handling of allegations that government officials were bribed by drug smugglers, the GLEANER newspaper reported of Saturday.

Seaga's National Security Minister Errol Anderson followed suit, the GLEANER said.

Neither Seaga nor U.S. Embassy spokesmen were available on Saturday for comment.

The three-day conference, sponsored by the U.S. Drug Enforcement Administration (DEA) and the State Department, brought together DEA and embassy officials based in Latin America and the Caribbean and their superiors in Washington to discuss U.S. anti-drug strategy in the hemisphere.

The GLEANER said Seaga refused to address the opening of the conference on Monday or to meet with American officials attending, including assistant secretary of state for international narcotics matters, Ann Wrobleski.

Others snubbed by the prime minister included Director of National Narcotics Board Interdiction System Howard Gehring and President Reagan's top aide on drug abuse policy, Dr. Donald McDonald.

Seaga is dissatisified with the Administration's handling of the allegations last month by convicted drug dealer Michael Vogel against Jamaican officials, the GLEANER said.

Vogel, in testimony before a Senate Foreign Relations subcommittee on narcotics and terrorism, accused Jamaican officials of taking bribes. [passage omitted]

Seaga was particularly angry over the allegations because over the past 3 years the government, under pressure from Washington, has come down harder on the drug trade probably at the expense of some support in rural communities. Seaga has also alleged assassination plots against himself from drug barons and in denial of the Vogel charges said there was a plot to kidnap his young son.

Jamaica is a significant producer of marijuana and growing as a trans-shipment point for cocaine.

U.S. Embassy officials here have been stressing Jamaica's strong anti-drug position and at the Kingston conference, Ambassador Michael Sotirhos more than once underlined the country's record and the bi-partisan consensus on the issue.

In an address to the conference, opposition political leader Micheal Manley said he and Seaga were committed to fight against drugs.

Media Coverage of Soviet Mission Criticized

FL1705165088 Bridgetown CANA in English 1536 GMT 14 May 88

[Text] Kingston, Jamaica, May 14, CANA—Prime Minister Edward Seaga has hit out at the Jamaican new media questioning its capacity to grasp complex issues. The media here was largely incompetent in fathoming anything greater than the bread-and-butter concern of an issue, Seaga said.

His attack in a speech this week to a Jaycees conference in the north coast city of Mentego Bay, was prompted by press coverage of a recent visit to Jamaica by a Soviet parliamentary delegation. The trip, part of a Caribbean tour, explained Soviet leader Mikhail Gorbachev's programmes of glasnost and perestroyka, or the liberalising of the society and restructuring of the Soviet economy.

However, much of the reporting and analysis in the Jamaican media—especially the independent daily GLEANER and Radio Jamaica (RJR)—dwelt on the warm reception the Soviets received from Seaga's conservative government. While in opposition Seaga had

decried relations with the Soviet Union and other communist countries developed by the then socialist government of Prime Minister Michael Manley.

Commentators largely suggested that economic realities, particularly Kingston's wish to sell the Soviets more bauxite, underlined the apparent warmness with which the Soviets were greeted. But for Seaga, the Jamaican media missed the point and had transformed a Soviet ideological mission to a trade mission.

The lack of awareness of the implications of the most far-reaching international consequences of the changing face of the Soviet ideological rigidities was buried under the absurdity that it was the Government of Jamaica that was changing in welcoming a Soviet delegation which in fact came to advise us that the Soviet Union was undergoing change, Seaga declared.

The Jamaican media failed to probe the revolutionary changes being undertaken in the programme of restructuring—not suprisingly, since understanding the restructuring of the Jamaican economy has proven elusive even though today it is an accomplished fact, he added.

Seaga said glasnost and perestroyka allowed for improvements in East/West relations, which could only benefit other countries. This is precisely why the Government of Jamaica agreed to receive the Soviet delegation to give our bit of encouragement to the programme of liberalisation now being carried out by General Secretary Mikhail Gorbachev. At the same time Jamaica would learn more from the experiences which they are passing through, indeed as we have already travelled the course of restructuring our economy, the prime minister said.

St Christopher and Nevis

New Development Bank President Elected

FL1305164088 Bridgetown CANA in English 1513 GMT 13 May 88

[By Reudon Eversley]

[Text] Basseterre, St. Kitts, May 12, CANA—The board of governors of the Caribbean Development Bank (CDB) on Wednesday night elected Barbadian Neville Nicholls as the third president of the Barbados-based regional financial institution.

The 54-year-old Nicholls, who has degrees in law and economics and worked in the bank for 17 years, becoming vice president in 1975, was elected at a closed door session here of the board's 18th annual meeting from a field of four.

The others were: Dwight Venner, the director of finance in St. Lucia; Guyanese Kenneth King, who is an official of the United Nations Development Programme (UNDP), and Jamaican Samuel Stephens, who works with the International Monetary Fund (IMF).

Conference Chairman St. Kitts-Nevis Prime Minister Kennedy Simmonds said all four were qualified for the job, but the governors felt that at this juncture leadership of the institution was critical, especially in view of the falling levels of funding from international donor countries and agencies, and at a time when the CDB needed more funds to meet the needs of its borrowing member countries.

We finally reached consensus that the experience that Mr. Nicholls had in the bank and in the Caribbean as a whole was an invaluable asset, he told reporters.

Simmonds said the vote was not unanimous, but was far in excess of the two- thirds of the membership required by the CDB Charter. Nicholls' candidature was also supported by William Demas, the eminent Trinidadian economist who gave up the CDB presidency at the end of February to become governor of the Trinidad and Tobago Central Bank.

Barbados Prime Minister Erskine Sandiford said he was confident that under Nicholls leadership the CDB will increase its capability to respond to the needs of member countries.

Mr. Nicholls by training and experience has the qualities to provide the leadership that will be needed. He will have to draw on his training in economics, international affairs and law to respond to the issues. His 17 years of service with the bank not only give him an intimate awareness of the problems of the region, but also provide him with a perspective on how the bank can adapt...(to the problems of the region) said Sandiford, who is attending the meeting here.

El Salvador

Rebel Attacks Cause San Salvador Power Outage

PA1805204388 Paris AFP in Spanish 1825 GMT 18 May 88

[Text] San Salvador, 18 May (AFP)—The Salvadoran power system is suffering serious problems today. Today the electric company declared a state of emergency following guerrilla attacks on the power system.

The lack of electricity has caused huge damage to the economy in the past 8 days, paralyzing industry and causing the closing of businesses. Those most affected in San Salvador were wholesalers of products requiring refrigeration.

San Salvador will have a total power outage beginning at 1100 today for an undetermined period of time, a spokesman of the Electric Light Co. of San Salvador (CAESS) announced today. The source told AFP that barely 25 percent of San Salvador was receiving electricity today.

According to an official report, FMLN guerrillas blew up six power towers in the past 6 hours, three of them in the metropolitan area. Civilian sources in the country's eastern region reported 12 electricity poles were destroyed in Usulutan Department.

Guatemala

Cerezo Names Civilians Involved in Foiled Coup

PA1805140788 Guatemala City Cadena de Emisoras Unidas in Spanish 0100 GMT 18 May 88

[Text] President Vinicio Cerezo has confirmed that Mario David Garcia and Gustavo Anzueto Vielman [former presidential candidates of the Nationalist Authentic Central Party], as well as [Nationalist Party leader] Mario Castejon, were involved in the coup attempt against his government.

Cerezo confirmed this at the dedication of the (Pavon) Provisional Detention Center. He said these three men were involved in the 11 May coup attempt. President Cerezo said a report presented to him by the Defense Ministry lists these three civilians. They head a list that includes five other civilians who were also involved in the coup attempt, which the defense minister has described as an act of insubordination.

The Guatemalan president said a judge will decide whether Garcia, Anzueto Vielman, and Castejon will bear any responsibility for the coup attempt. He said that a military attorney has filed charges at the 5th Criminal Court and that the Attorney General's Office will represent the state's interests.

According to reports, the judge handling the case did not want to disclose the names of those involved in the attempt to overthrow the Guatemalan president.

President Cerezo also said the judge must determine whether moral support for the coup attempt and the use of red handkerchiefs, which was the symbol of the military revolt against constitutional order, are crimes. Cerezo said the situation will be analyzed calmly, because it would be unfair to take measures only against the officers who committed an act of insubordination while the civilians who urged them to do so are let off scot-free. Those civilians will have to give explanations in court, the Guatemalan president said.

President Cerezo denied that the government does not want to disclose the names of those involved in the coup attempt. He noted, however, that the government must be cautious and act responsibly. As the people involved make statements, we will disclose them, he said. The president said the judge will summon all those who have been publicly stating their support for the military movement that tried to subvert constitutional order. He noted: One cannot agree with an illegal action; if one does, then one is either an accomplice or an accessory to the crime, and the judge will have to rule on this.

Defense Minister Comments on Coup Attempt

PA1805151688 Guatemala City PRENSA LIBRE (Sunday Supplement) in Spanish 15 May 88 pp 4, 5

["Shortened version" of interview with Defense Minister General Hector Alejandro Gramajo by unidentified reporter—date and place not given]

[Excerpts] [Reporter] Many people wonder if what occurred on Wednesday was a coup attempt, an arrangement [arreglo] by an Army faction, or a government maneuver to justify a number of harsh measures so as to finally consolidate its power. What was it really?

[Gramajo] In fact, the people are confused about what occurred, because in the Army's official statement I used the phrase "an act of insubordination." Civilians might have understood this as a slight, forgivable, and even a small misdeed. However, for military men, insubordination is an unforgivable action that goes against the basic principle of the Army's function.

Nevertheless, if we want the people to understand the magnitude of what occurred, we have to accept that it was a coup d'etat attempt; clumsy, unsophisticated, simplistic, and childish, but, in the final analysis, an attempt. At no time did I seek to minimize it because, when I referred to insubordination, I did so speaking as a military man, with the understanding that the violation of the norm of obedience in the Army is grave.

If someone believes that what occurred was a maneuver to strengthen the government, it is because that person perceives that the government will, in fact, come out strengthened by what occurred; and those who think that it was an act of rebellion or of insubordination are somewhat correct, although the importance that they will give to it will vary according to their interests.

[Reporter] In a Rotary Club luncheon, the president said that two groups of officers were involved who wanted to discuss issues such as diplomatic relations with Cuba and the PRC, some economic and legal measures, and some other matters falling outside the Army's purview. Yesterday you said that it had been an act of insubordination. What was it really?

[Gramajo] No, there is no contradiction between the one and the other. An act of insubordination is to discuss a decision that is outside the sphere of military action. The president is a very prudent man and, in this case, he used a very appropriate phrase, indicating that "they came to hold a dialogue." The act of rebellion was to attempt to discuss topics that fall outside their responsibilities.

Nevertheless, that was nothing but the unfortunate result of the news media's constant bombardment of the Army, the personal contacts, and even the rumors, such as the one claiming that "a small fortune had been collected to pay the officers who ousted the regime." The latter shows a disregard for the military spirit and the ethics of that institution. In any case, this was enough to affect a few officers, who ended their careers trying to disrupt the institution's order. [passage omitted]

Precisely because the Army does not accept the discussion of orders by its members, it carried out steps to stop the groups that were advancing toward the capital. The investigations and all the administrative procedures that we have initiated are looking into this lack of discipline. [passage omitted]

[Reporter] During the news conference held by the Army High Command on Wednesday, you said that you had intentionally not mentioned in your speeches the phrase, "a granite-like, united Army." Would you like to further elaborate on this?

[Gramajo] This is a rhetorical phrase I have avoided using. It is one thing to have an army that is not united, another to have division, and yet another to have a split. We have not used these phrases because they are cliches that attempt to act as the frame of reference for everything that occurs in an institution.

We have always spoken of the Army as being a modern one where nobody is isolated. The military has freedom of movement and speech, we receive the same information the regular citizen receives, we have family and peer pressures, and we are also misinformed because there is no freedom of expression in Guatemala. Those who run the Guatemalan media impose a tyranny that even prevents the government from freely expressing its opinion. All these aspects of modern society force the Guatemalan officer to have a great deal of good judgment. Those who do not have good judgment are the ones involved in the illegal act of insubordination. We are not trying to minimize this action; we believe it is very serious.

[Reporter] Do you discount the possibility that the officers involved in this week's events were moved by reasons similar to the ones that made the Army participate in the 23 March [1982] actions?

[Gramajo] It is incorrect to compare the political, economic, military, and social situation that led us to 23 March with what happened last week, because the situation is different. The childish methods used in the attempted coup reveal the coup was organized by civilians who hid behind former officers. No high-ranking officials were involved in the planning of the coup attempt, from its conception to its execution. The three or four officers involved were simply used by a group of civilians who had spent great amounts of money in propaganda to influence Army officers and get them to agree to the plot. These civilians worked with this goal in mind, and I tell them now as I have told them before: It would be better if they joined a political party and invested their money there than to try to penetrate the Army and destroy a few officers.

Getting back to the 23 March events, I believe the special conditions that existed at that time forced the Army to intervene with an important historic action. Today, things have changed: We are a country with an open society that is currently in a phase of democratic transition but where there is no freedom of expression.

[Reporter] Could you elaborate on "where there is no freedom of expression"?

[Gramajo] That is true. If one makes an objective report on the media and does not point out the existence of an information monopoly, the manipulation of public opinion, and the use of disinformation to destabilize the country, one has lost sight of an undeniable reality.

These are facts required to understand the 11 May events. I therefore cannot state that the Army has a granite-like unity if disinformation managed to penetrate the Armed Forces.

[Reporter] In your statements you referred to a few retired officers and officers who recently returned to the country as being involved.

[Gramajo] Do you want names? They were tools in the hands of the information monopoly. I believe many people still remember the television coverage given to Captain [Gustavo Anzueto] Vielman's statements.

He was expelled from the Army after he was tried on civil charges 3 or 4 years ago. During the 8 years he was in the Army he used his relationship with the defense minister at that time. He tried to study medicine in Brazilian and Mexican universities and never got past the 2d year. While in the Army he eventually lost his cushy jobs and was assigned to combat areas. The

information tyranny I talk about gives more credibility to Vielman than to the Army's spokesman, even if Vielman has been out of the Army for a long time. [passage omitted]

[Reporter] Do you think the communications media play a role in the destabilization process? Are they powerful enough to cause a crack in the Guatemalan Army?

[Gramajo] Yes, they are very powerful.

[Reporter] Do you consider them enemies of democracy?

[Gramajo] Yes, and this is not the first time I have said this. I do not have any commitments to anyone, I do not have any particular interest; therefore, I do not hesitate to state things clearly. Some of the media take advantage of the freedom of expression we all enjoy to destabilize the process of democratic consolidation. Democracy is affected if one does not maintain journalistic objectivity and, instead, replaces it with extremely biased, slanted views. We understand that the communications media have their editorial pages to express their views according to their interests, but under no circumstances do they have the right to slant the information. You must have seen that lately even the sports news has been reported in a way that aims to confuse the Army.

This is serious because some of the media have lost sight of reality and have devoted themselves to defending anonymous statements that aim to destabilize the democratization process. I must admit that in the case of the bulletin from those who call themselves the "Mountain Officers," we knew since Wednesday who had written and distributed it. Nevertheless, we did not want to stop its distribution because we trusted the seriousness of the local press. This has set a good example so that the situation will not be repeated. [passage omitted]

[Reporter] What happened to the list of civilians you said would be sent to the Attorney General's Office to begin proceedings against those involved in the coup attempt?

[Gramajo] I already sent it, and I hope that very soon we can add two more names as a result of our investigations. I cannot disclose the names of those involved because this might not allow justice to be carried out.

I personally believe that the full weight of the law should fall on them, although I must confess I have little hope this will occur, because our current legal system does not protect democracy as it should.

[Reporter] To conclude, who are the winners and who are the losers of Wednesday's action?

[Gramajo] The Army lost, and democracy won. From the evaluations we constantly make, we think we have set a record in the process of consolidating democracy. The fact that not a single serious incident occurred in the first 28 months of this administration shows that we are on the right path. When I say that democracy won, it is because the military institution showed it is interested in supporting this process. This victory will to a great extent depend on how we use it and on how positive one considers these events.

As for the Army's loss, I regret that a number of officers will be prosecuted and that the administrative measures that will be taken will also affect another large number of Army officers.

Honduras

Armed Forces Head Discusses Brother's Arrest

PA1805184088 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 18 May 88

[Interview with General Humberto Regalado, Armed Forces commander in chief, by Adolfo Hernandez at the Armed Forces headquarters in Tegucigalpa; date not given—recorded]

[Excerpts] [Hernandez] General Regalado, first of all I want to thank you for receiving us here in your office. At this difficult time Honduras is experiencing because of the incident in Miami, our intention is to establish the true opinion of the Armed Forces High Command on this issue. First, I would like to know your reaction to the news about the problem in which Colonel Rigoberto Regalado is involved.

[Regalado] At a personal level, I was very concerned when I heard the news because of the propaganda that had been circulating in previous days. I was also very surprised, because there are still a few things we are investigating to learn the truth about these incidents.

[Hernandez] Gen Regalado, has the High Command made a joint decision on what the Armed Forces must do if the accusations are proved true?

[Regalado] The policy of our institution is to face... [changes thought] We declared an all-out war, as we called it, against drug trafficking. The entire Army is willing to put all its operational abilities at the service of this struggle to eradicate this disease, this cancer, which has unforeseeable dimensions.

Given this view, the High Command is willing to allow the weight of the law to fall upon those officers involved in drug trafficking.

[Hernandez] We learned that Col Regalado Lara is your half brother. Is there an emotional conflict in view of this situation?

[Regalado] People say military men are very cold people. We are members of what we call an imaginary family in which our mother is the homeland, our father are our chiefs, our brothers are those with the same rank, and

our children are our subordinates. We keep some of our family feelings in this imaginary way. We act according to legal provisions, laws, and procedures established within the Armed Forces. [passage omitted]

[Hernandez] Do you think the enemies of Honduras and its Armed Forces will take advantage of this opportunity now?

[Regalado] I do not think so, because the Army has a large sense of honesty. We have a new leadership, and we are all determined to try to erase past evils and to prove what a professional army means. [passage omitted]

Government Names Acting Ambassador to Panama

PA1905020988 Tegucigalpa Voz de Honduras Network in Spanish 1120 GMT 18 May 88

[Report by Julio Armando Valdes]

[Excerpt] The Honduran Government, through its Foreign Ministry, plans to appoint a new ambassador to Panama. We spoke with Presidential spokesman Marco Tulio Romero about this.

[Begin recording] [Romero] In view of the problem in which Colonel Rigoberto Regalado Lara is involved, Francisco Octavio Bulnes Alvarado is in charge of our embassy in Panama. He is the first secretary in charge of consular affairs. In view of the problem, Bulnes Alvarado is the current acting ambassador to Panama and the acting charge d'affaires. This is the information we can release right now.

[Valdes] What is President Azcona's position about this incident, which affects Honduras'image?

[Romero] This is an isolated incident. According to reports from the United States, the authorities there discovered a man carrying drugs. This is an isolated incident that does not affect the country's or the government's actions.

It is important, however, to point out that the Honduran Embassy in Panama will continue operating as usual. I repeat, Francisco Octavio Bulnes Alvarado, acting charge d'affaires, will continue to hold this position and will also be the acting ambassador until a new ambassador is appointed and until our country's internal situation returns to normal. [end recording]

In answer to questions as to what specific position the government will take in response to this new incident, Presidential Press Directorate spokesman Lisandro Quesada said:

[Begin Quesada recording] The government's position was expressed in the two communiques already released. The first was issued by the Foreign Ministry and the second by the Armed Forces.

In other words, the government is willing to vigorously struggle against drug trafficking and to punish those involved in this activity with the full force of the law without any kind of favoritism. [end recording] [passage omitted]

Taiwanese Foreign Minister Ting Arrives

OW1705152088 Taipei CNA in English 1026 GMT 17 May 88

[Text] Tegucigalpa, Honduras, May 16 (CNA)—Foreign Minister Ting Mou-shih of the Republic of China [ROC] arrived in Tegucigalpa, Honduras Sunday [15 May] for a three day visit.

On arrival at the airport, Minister Ting was warmly greeted by his Honduran couterpart Carlos Lopez Contreras, ROC Ambassador Huang Chuan-Liang, officials of the Honduran Government and ROC Embassy and Overseas Chinese leaders.

During his stay in Honduras, Minister Ting will meet Honduran President Jose Azcona Hoyo, Speaker of the Honduran National Assembly Carlos Orbin Montoya, Foreign Minister Lopez and visit the industial city of San Pedro Sula in northern Honduras.

Accompanying Minister Ting on the visit are: Mrs. Ting; Shu Ping-chao director of the Foreign Ministry's Department of Latin American Affairs, Tsai Teh-san representatve of the Far East Trade Center of the ROC in Colombia.

Minister Ting's visit has attracted great attention from the Honduran public, with the local mass media prominently reporting on the anticipated visit for the past several days.

Minister Ting and his entourage are scheduld to leave for El Salvador May 19. Before arriving in Honduras Minister Ting visited Paraguay where he presided over a conference of ROC envoys in Latin America.

Meets Officials

OW1905075988 Taipei CNA in English 0340 GMT 19 May 88

[Text] Tegucigalpa, May 18 (CNA)—Foreign Minister Ting Mou-shih of the Republic of China Wednesday called on Speaker of the Honduran National Congress and was warmly greeted at the latter's office.

During the meeting, Ministr Ting had cordial talks with Speaker Carlos Montoya on matters of mutual concern. The Honduran chief legislator expressed his admiration for the progress made by the ROC in all aspects and stressed that the cooperation between the two countries should be further strengthened.

Montoya then led Minister Ting to tour the installations of the assembly and hosted a luncheon party at the same site in honor of the Chinese official.

Attending the luncheon were also Honduran ministers of economy, the interior, finance and natural resources, ambassadors of Guatemala, Costa Rica, Panama, El Salvador, Venezuela and Ecuador, and representatives of the Overseas Chinese community [words indistinct].

Earlier in the morning, Ting paid a courtesy call on Commander in Chief of the Honduran Armed Forces Gen. Humberto Regalado.

Nicaragua

Government-Contra Talks To Resume 25 May

PA1805130888 Managua Radio Sandino in Spanish 1220 GMT 18 May 88

[Text] The talks between the government and the counterrevolutionary leaders will continue on 25 May. The place for these talks has not been agreed upon, however.

The last meeting between Victor Hugo Tinoco, Nicaraguan vice foreign minister and main negotiator, and Roberto Ferrey, whom the contras have assigned as their head negotiator, was held in Miami last night. Few details have been disclosed about the agreements between the two delegations, which are organizing the next meeting for discussing a permanent cease-fire.

The next meeting will be held on 25 May, but the place is unknown. The government insists it must be held inside Nicaragua. In addition, the government has reiterated its willingness to extend the suspension of offensive operations for another 30 days or more.

RN: Date Not Confirmed

PA1805200688 San Jose Radio Impacto in Spanish 1850 GMT 18 May 88

[Text] Nicaraguan Resistance [RN] spokesman Enrique Arguello has said it has not yet been confirmed that RN representatives will attend the 25 May meeting proposed by the Sandinist regime. He added that after 2 days of meetings between Roberto Ferrey, secretary of the contra leadership, and Nicaraguan Vice Foreign Minister Victor Hugo Tinoco, the parties did not reach an agreement on the date and place for this meeting.

The RN leadership will decide, possibly today, if it will accept the Sandinist proposal to meet from 25 to 28 May. The place for the meeting has not been determined, however. Managua was proposed as a venue, but the insurgents are opposed to it unless the Sandinist regime offers freedom of movement to the opposition's delegation.

Ortega on U.S. Aid, Contra Talks, Cease-Fire

PA1905040188 Managua Domestic Service in Spanish 0100 GMT 19 May 88

[Speech by President Daniel Ortega to commemorate the 93d anniversary of the birth of Augusto Cesar Sandino; place not given—live]

[Text] I receive this scarf and this stool in the name of the Nicaraguan people. This scarf, worn by (?Jose) Santos Rivera, accompanied our General Sandino during the struggle against U.S. intervention. This stool is the one on which Sandino wrote that famous message, which read: I do not sell myself, I do not surrender.

In the name of the Nicaraguan people, I want to thank Professor Teobaldo Rivera for the delivery of these items that symbolize the Nicaraguan people's heroism and resistance and which we will deposit at the Nicaraguan Institute of History today. In this way, the Nicaraguan people, youth, and children can view these symbols of the Nicaraguan people's patriotic struggle.

These symbols are alive in the struggle that we Nicaraguans are waging today. This is a struggle for peace, a peace we have demanded all through our history; a peace for which Sandino fought and died; a peace for which the Nicaraguan people shed so much blood for so many years until victory was achieved on 19 July 1979. We hoped to build a just society, such as Sandino demanded, and create a sovereign, independent country. It has been impossible, however, to crystallize this desire. Yet we have continued to defend our right to build this Nicaragua of ours in peace against the aggression of the U.S. Administration, an administration not unlike others that have waged war against Nicaragua and against which Sandino fought to defend the nation's integrity, self-determination, independence, and sovereignty.

We have not relinquished, nor will we ever relinquish, our right to build this society of free men in peace. Today, on the 93d anniversary of Sandino's birth, the efforts that the Nicaraguan people have been making for peace have resulted in the crushing defeat of the U.S. plan of aggression that used mercenary forces. The criminal U.S. policy, which intended to starve our people to death, has been defeated.

Our people have resisted and continue to resist the U.S. economic embargo; they continue to resist the unlawful and illegal actions of the U.S. Government, the U.S. Administration, and some U.S. congressmen who persist in supporting interventionist policies against Nicaragua. These men persist in wanting to make the Nicaraguan people suffer even more. These congressmen who intervene and threaten a sovereign country, a sovereign government, a sovereign people, as they did a few hours ago in a letter they sent me and published, where they want to take from us the right to defend ourselves from the aggression of the U.S. mercenary forces. [sentence as heard] In this letter they tell me that if we attack the

mercenaries, then they are prepared to renew the military aid. This is as if the military aid has stopped. We all know very well that the financing of the terrorists and the shipments of weapons, ammunition, and explosives to the mercenary forces so they can murder our people have never ceased. This cease-fire has been taken advantage of to increase these shipments to the mercenary forces, to attempt to maintain their unity so they can launch an offensive against our people so they will continue to destroy schools, kill children, kill Nicaraguan peasants, and kill our young fighters who go from the cities to defend the fatherland, to teach the peasants how to read and write, and the technicians who aid the peasants.

We have been saying all along, and we reaffirm it today on this 93rd anniversary of Sandino's birth, that we are committed to a peaceful solution, that we are giving the counterrevolutionaries the opportunity to join the peace process initiated by the Nicaraguan Government within a constitutional framework.

Nicaragua has also proposed an extension of the cease-fire that ends on 30 May, which is Mothers' Day here in Nicaragua. We have made this proposal to honor the Nicaraguan mothers who have suffered and continue to suffer. As of yet, our proposal has not been accepted by the counterrevolutionary forces, who are encouraged by the U.S. Administration to not accept peace and to continue their path of crime and terror against the Nicaraguan people.

It has been us, it has been the Nicaraguan Government, who has acted responsibly and submitted this proposal to the counterrevolutionary Directorate at the latest meetings here in Managua for the cease-fire to be extended for 30 or 60 more days. And the counterrevolutionary Directorate has refused to answer; it has given no answer to date.

We have pointed out that we will stick to this proposal, but if the Reagan administration destroys this peace plan, as it is trying to do, if this peace plan fails, if the counterrevolutionaries or any of the instruments of U.S. policy, such as the genocidal National Guard member Bermudez, make up their minds to continue the war against our people after 30 May—something that murderer has already announced—we will use all the human and material resources necessary to combat and annihilate those who unleash terrorist actions against the Sapoa peace agreement. We are determined to employ every means we have to annihilate and destroy those who refuse to accept this peace process and prolong the war.

We will, of course, extend the cease-fire for counterrevolutionaries willing to extend the cease-fire past 30 May. We will work with counterrevolutionaries willing to maintain the negotiating process until we achieve total and definitive peace, of course. If there are congressmen who have an imperialist mentality and issue threats of renewing the military aid, let them clearly understand that we Nicaraguans are an independent and sovereign people. We do not depend on U.S. Congressional debates or on the will of the U.S. Government. We depend on the will of the Nicaraguan people.

With this type of threat they are encouraging warmongering policies. They are trying to legalize something that cannot be legalized or legitimized: blackmail and aggression against the Nicaraguan people. The congressmen who sent me this letter are ignoring international law. They are ignoring an ICJ [International Court of Justice] ruling that clearly states that the United States must stop acting like a terrorist, must stop attacking Nicaragua, and must respect Nicaragua and seek a negotiated solution for the problems it may have with Nicaragua.

We are going to continue working for peace, but we are also going to continue firmly defending the Nicaraguan people's right to defend themselves.

On this 93d anniversary of Sandino's birth, we are receiving these symbols that accompanied our general along his heroic struggle. We feel secure in our march toward the future, a future of peace and stability that will have to happen in spite of the U.S. rulers. Sandino is throughout Nicaragua. Sandino is being born every day. He is in the peasants, the workers, the artisans, the Indians, the Miskitos, the blacks, in all the people of Nicaragua. We are building, for the first time, a true and real democracy.

Sandino is present in the Nicaraguan Government and people's peace efforts. Sandino is present in the vanguard of this revolutionary process: the FSLN. Sandino is immortal. The Nicaraguan people are immortal. The Nicaraguan revolution is immortal.

This is why we are correct when we say that Sandino is alive. He lives now and he will live in a future of peace and stability that all of Nicaraguans will have.

Thank you very much.

Panama

Officials Address 'Working Meeting' in Veraguas

Solis Palma

PA1805214388 Panama City Domestic Service in Spanish 1636 GMT 18 May 88

[Speech by Manuel Solis Palma, minister in charge of the Presidency, during "working meeting with the people" at the Juan Demostenes Arosemena Teachers' School in Santiago, Veraguas Province — live]

[Text] Messrs state ministers; honorable legislators; Electoral Tribunal President Yolanda de Pulice; directors of decentralized agencies; Veraguas Province Governor Professor Pedro Zeballos Mojica; 3d Military Zone chief Major Miguel Aleman Mendoza—we publicly congratulate him on his birthday [applause]—Messrs members of the National

Executive Councils of the Democratic Revolutionary Party, Labor Party, Liberal Party, and Revolutionary Panamenist Party; honorable mayors; honorable corregimiento representatives; honorable members of the Technical Board; honorable members of the community boards; special guests; ladies and gentlemen:

At times, while pondering on what a political campaign should do—and the campaigns were highly criticized because many promises were made and few kept, and because of their lack of direction—I would tell myself the following: Would it not be advisable to begin a national political campaign by establishing in each province, in each district, and in each corregimiento a commission to study each community's problems? These commissions would draft a national plan that would serve as the basis and platform for the candidates.

However, since assuming the nation's highest office, I think we should not think of what must be done or should be done in a campaign. Instead, one must think of what a government that is responsibile for moving the country forward must and has to do. For that reason, I thought that this imaginary model could be used as a government. The model would not be to make offers but to show that the current government—regardless of what the opposition may say in the upcoming political campaign; I repeat, regardless of that—is going to seek ways to do things and not just make promises. It is very easy to make promises. Yet, it is much more difficult to fulfill them with the responsibilities that a ruler has.

That is why we came on this pilgrimage, or domestic patrol. We came to find in each community a provincial work plan that reached down to the districts and corregimientos. This plan would establish what is, or could be, efficiently produced. This plan would assess the available resources in the public and private sectors. This plan would establish the essential needs for now and the future. That is the mission that brings us here. We want to completely fulfill it. That is is why I think the remarks or proposal by the planning and economic policy minister perfectly confirms our goals. I want it to be implemented and carried out.

Our purpose is to [words indistinct] and implement all the plans we present at these meetings and on all other occasions. We want to fulfill as many obligations as possible so that we will have at least tried our best to keep every promise we made.

The Panamanian people are highly skeptical right now. This skepticism has been created over time and for many reasons that are not worth discussing today. The essential problem of this skepticism is that the Panamanian people have not found answers to their problems in government policies and actions.

Ours is an extraordinarily noble people. They have fully proved their nobility during the current crisis. Only a noble people like ours is able to withstand the most brutal aggression ever carried out against any people in the history of humanity. Our small and poor country has been attacked by a highly powerful and rich country.

We withstood the aggression because the Panamanian people have something that the governments of powerful and rich countries often lack. We have dignity, courage, and love of the fatherland. That is what the Panamanian people have. That is what has helped us withstand the crisis for 83 days.

Some people thought we would be unable to withstand the crisis for over 5 days or a week. We have been enduring the crisis for almost 3 months. We have increasingly overcome the worst aspects of the crisis, which practically destroyed all our social, economic, and political activities.

Thanks to their nobility, the Panamanian people demand very little. They demand that government officials become interested in their destiny. They want to see all government officials working to offer solutions to the people's problems without exception. Many times Panamanians do not even demand solutions to their problems, but merely an expression of interest in the resolution of the problems. They must see that if problems are not resolved, it is because it is impossible to resolve them, and not because we are careless and lack desire to resolve them. This is unfortunately what we have not been proving up until now. We have not fully showed our interest and permanent dedication to the resolution of the Panamanian people's problems, to the problems of every community, district, province, and the country in general.

I demand honesty and uprightness in government actions. I want to distinguish between honesty and uprightness. One can be an upright person, because one does not steal, but a person can be dishonest in what he says and does, because he lies and does not act sincerely. That is dishonesty, although he does not steal from anyone, which is to be upright.

I demand truth. I demand officials always tell the truth, regardless of how terrible it is. They must always tell the truth. We must not make promises we never felt like making or planned to keep. It is better to say no when things are not possible. It is better to explain why things are not possible than to say yes and never fulfill obligations. We must work seriously, honestly, and honorably. We need to unite the government. Isolated government actions must end. We cannot continue taking institutions, turning them into one's own, and using them for one's own benefit regardless of the need for national unity.

Many mistakes have been made. Independent and isolated actions and policies have caused much waste, unnecessary spending, and ineffectiveness in government actions.

We cannot commit errors, especially errors committed because of negligence. We cannot have a repetition of the case of the Victoria Sugar Mill this year. Approximately 200,000 hectares of sugarcane with practically 100,000 tons of sugar were lost because of government negligence, because of a lack of coordination, because of incompetence, because of lies. When it was said that the harvest would be resumed... [changes thought] the harvest had to be suspended not only because of the crisis. It was suspended because there was no planning and no coordination. If there was not enough money for the harvest, it was because there was more than enough sugar in the warehouses because there was a lack of marketing. There was no planning or interest in doing so. When financing was sought, we were told [by the mill officials] that it was not necessary because they were about to receive about 900,000 balboas or dollars from the United States and that the problem was already resolved. Weeks passed before we were able to learn that the famous check had not arrived, and even if it had arrived, there was no way to cash it so there was no possibility of using that money. When efforts were made to obtain financing, the rains had already come and it was not possible to obtain it and, therefore, 100,000 tons of sugar was lost. The net loss is 2.5 million balboas, more or less, because of expenses that had to be paid. Those are errors that cannot continue to be committed because this is a crime against the Panamanian community. The official who acts this way must be immediately dismissed. [applause]

I repeat that there is a lack of coordination. Someone said that money is not enough and that imagination and interest are very important. Many times money does not resolve everything. Creativity and love of Panama are necessary. With those two things, we can substitute a large part of the money. However, many times we do not have either money or creativity and we do not love our country. In those conditions, we would be in a sorry state.

We must keep in mind all of the state resources. I use this opportunity to send a message to the ministers and other government officials. If we analyze, if we make an inventory of state resources, we can see that many times in one area we have more than enough while in other areas we have a shortage. However, we are not capable of transferring those resources from wherever there is a surplus to where there is a shortage, nor are we capable of having those capable of doing the work do so.

Many times we have seen that IRHE [Institute of Hydraulic Resources and Electrification] has to stop its work because a road is needed. Meanwhile, the Public Works Ministry is idle, with a big payroll doing nothing. Why should the Public Works Ministry not be given the responsibility of building the road by giving it the necessary material and by repairing its damaged trucks or equipment? It should not be given one more centesimo. It is not a matter of having the IRHE pay the Public Works Ministry. No; both are part of the Panamanian state, and there is no reason why one should profit from the other. If the Public Works Ministry needs electricity, the IRHE should provide it, and so on.

We have a Price Regulation Office which does not have enough inspectors to keep an eye on the abuses of merchants. Ah, but we have offices filled with employees who have nothing to do. [applause] Why not transfer those employees to wherever they are needed? [person shouts: "The corporation," referring to the Victoria Sugar Mill Corp.] There are many other places. [applause]

I think the Ministry of Planning should begin to study the resources each and every institution has, so that everyone works. We cannot continue to have idle workers as this is negative and works against the economy. Many times there is a fear that dismissing one employee means increasing unemployment. However, some only like to regard unemployment at the level of the typical official. Unemployment must be regarded at an overall level in the Republic. If an employee must be dismissed in order to promote agriculture, then that is not unemployment, because if we dismiss 20 in one area, 40 will be employed in another area. That is not overall unemployment.

But we cannot have unproductive men. We must move them to where they will become productive. That is not difficult to do. What we need is to have a willingness to do it and the understanding of the political parties, of the legislators, of the representatives, of all sectors. We need for everyone to understand that the main problem of the Republic is to take it out of the state of stagnation in which it is because that is the best way to become a politician in this country. [applause]

I hope that this tour through all the provinces will result in the provincial plan for preparing the national plan. Those who sit in Panama City offices have their theories, but they are not living the reality of each place. Our highly qualified officials have lofty theories that must be complemented with the feelings of all the communities who are experiencing the basic problems on a day-to-day basis.

Someone was telling me that in discussing the big problems of the world, General Torrijos once told a great Panamanian planner that the big problem affecting the peasant is selling his milk, caring for his cow, and not the great world problems. Let us consider the biggest problem from the perspective of the smallest problem facing each individual because the sum of those small problems make up the big national problem that we must confront together, seriously, and responsibly.

We are experiencing a fiscal problem. Many things could not be done in March and April. I do not know why they were not done in the previous months. [Words indistinct] that I am not aware. I know why they were not done in previous months. Panama has been facing a difficult situation since June 1987. Unfortunately, the

heads of our government, the ones responsible for guiding the economic and fiscal policy of our country, just sat back because they neither understood how they could attack the national problem, nor believed they could attack it. From the very beginning it was said that if we paid the debt—the commitments from the debt, the interest and the principal—and if we did not receive money from abroad- in other words, the United States, the World Bank, the IMF, AID—we were going to have a deficit of 804 million [currency not specified]. The debt alone represented 800 million. This means the deficit was the result of the debt. It was the deficit of the debt. No one had the courage to propose that we could not pay the debt because we could not sacrifice the development of the Panamanian people in order to pay the debt.

That was not done, as that would anger the United States of America. It was preferable to allow the crisis to swallow us up, to let the crisis deepen and place us in a [words indistinct] situation. Either we overcome the crisis, either we maintain the crisis, or we yield. That was the situation. There was no search for a solution. There was no concern for finding a solution to the problem, for making the necessary changes. No, it was just said that there was a solution, and it called for the World Bank, the IMF, and AID to give us the money we needed. But they said: We will give you the money if you yield, if you lose your nationality, if you humiliate yourselves.

Some thought it was better to humiliate ourselves than to have a crisis. That was the difference that arose in February 1988. We prefer the crisis to the humiliation of the Panamanian people or the loss of our nationality. That is the basic difference. [applause]

Therefore, we assumed this responsibility at every (?level) of government. It was not only I who assumed this, in accepting the nation's highest office, but also those who agreed to remain as ministers or to accept a post as minister. It was the legislators, who decided to approve the new government and condemn the previous government, and many Panamanians who chose dignity and nationhood. They formed the government as a free, sovereign, and independent country. We must respond to them now by overcoming the crisis without bowing our [words indistinct]. It can be overcome.

If the United States wants to be our friend again, let it come. However, we know that there are friends who do deserve our respect. Those friends have challanged the world. They have been helping us and have started to understand our problem. They are willing to help us overcome the crisis. We must resort to those friends. We must establish trade relations with them. We can export our products to those countries, and we can import what they produce. A basic exchange must take place in the Panamanian economy's orientation and structure. We need to change because we can no longer depend on the whims of a country to which we have always given everything and which has never respected us or expressed its gratitude for our giving attitude.

We must maintain certain policies in our contingency and long-term plans. We must maintain the policy of mixed enterprises. February 1988 found us with mixed enterprises and government enterprises that were dismembered because of constant criticism and an interest in privatizing them. The idea was to turn all of them into private enterprises. We were just analyzing their costs and benefits in strict accounting terms. However, we were not considering the social value of those enterprises. If we were to look at things in terms of their costs and benefits in strict economic language, almost none of the government's enterprises should exist. We would have to sell all of them.

However, in this case we learned a lesson. What did private business do during the country's times of crisis? It surrendered. It became a turncoat and sided against the legitimate interest of the nation. We had no government enterprises that could resolve our problems at that time. I found that IMA [Agricultural and Livestock Institute] was in a shambles when we needed a better distribution of food, to ensure prices, and to revitalize the country's agriculture. I found a sugar industry, primarily the sugar mills, unable to continue with the sugarcane harvest. It seems as if everybody wanted those government enterprises to not see how La Victoria Sugar Mill was becoming like the Cabra Sugar Mill, like how the other suger mills in the country were to become.

There is no awareness of the social sense of enterprises. In some cases, there is no awareness of the strategic sense of the enterprise. There is talk of bad management at IRHE. We are not going to deny that it does not have bad management. It has, and we must correct it. However, we must consider that private business would not have brought electricity to a small town because it was unprofitable. The IRHE in private hands would only have brought electricity to Panama, Colon, David, and Santiago, but to no small towns because it would not be profitable. A state enterprise not only considers profitability but also social benefits.

That is why we believe that whenever private enterprise does not take the initiative the government must do so. It must set up whatever enterprise is needed and support it although it may not be profitable all the time. [applause]

We must develop Panama's agriculture. Admittedly, our geographic position makes us a country of service. Panama City is a center of service.

However, we must develop the agricultural sector, because the concentration of population will prevent us from resolving the problems of the majorities. Looking at the prospects for the 1989 electoral census, we realize that out of 1,032,000 voters in Panama Province, there are 514,000 voters in Panama City alone. Practically 50 percent of all Panamanian voters are in Panama City. The same thing will happen with the population and with everything else. Why will it be any different, why will development in Panama City go at a slower pace, if we

put most of our efforts in the development of Panama City? We forget about developing the interior of the country, where the true national wealth is. Our economic policy must develop the agricultural sector including livestock activities and the farming industry.

As I said before, we must diversify our foreign markets. We recently learned that 83 bunches of bananas are sold at $8 in the United States and in Germany they are sold at $14. Coffee and other products are sold at better prices in other markets, but we have always been forced to sell to the U.S. market.

We must seek other markets. We must buy somewhere else. We have been told that the dollar does not devalue and that that is why it is the greatest world currency. We have been told countries that have their own currency suffer the consequences of the devaluation of those currencies. No one, however, told us or no one says that the dollar does depreciate and devalue. If you do not believe this, we only have to compare the strength of the dollar with the Japanese yen, the German mark, or other currencies. For example, a year ago we paid 6,000 balboas for a Toyota. Today we pay 12,000 balboas for the same Toyota. What does that mean? It is the depreciation of the dollar. Some people in this country, however, are so obtuse that they do not even admit the dollar is being depreciated.

We have lost millions of balboas because we depend on a currency that is going down. Apparently we do not feel the depreciation, because our basic market is the United States itself. We must analyze our economy in terms of an autonomous, independent, free, and sovereign position, a position that has its own imagination and not one learned in U.S. universities.

We have to turn our peasants, Indians, and other underprivileged groups into consumers. More than half of the Panamanian population cannot be consumers. This impedes the development of some enterprises and activities and very often makes them unprofitable. Yet this happens because we have not worked in earnest to improve the standard of living of Panamanian peasants, Indians, and other downtrodden groups who live in our main cities.

The government's main policy is to make more worthy the means of making a living used by our country's poor. We have to dignify, not eliminate, the way of life of peddlers, street vendors, small-scale peasant farmers, and artisans. We have to work for them by making their ways of life more decent. What do I mean by this? May I repeat: The idea is not to elbow out peddlers. We have to install a decent stand for him, not a collection of pieces of lumber without electricity or the minimum sanitary conditions.

We have to work out a way whereby the municipalities, with the aid of the government, dignify the work of such a man. We have to work for our country's poor, who are the majority. We have to forge democracy by working for the poor, who are the great majority. We have to act on behalf of Panama. I hope that at the end of this meeting, the spirit of the Veraguas people, who have fought so hard for the fatherland, and the hearts of you people who are descendants of national heroes, remain imbued with a deep interest in struggling for the good of Panama, your province, and your country. I hope we can emerge stronger from this crisis, not only to reach the levels we achieved 1 or 2 years back, but to exceed these levels with other plans and in another dimension. This is absolutely possible. We can do everything when we are willing.

I want to congratulate the agricultural development minister for his work seeking outside help, which he found.

You have seen these countries and you can look to other countries [for aid] because there is an interest in helping Panama. The Panamanian struggle, the spirit shown by the Panamanian people, their desire to remain a free, independent, and sovereign country, merits help from every country in the world. The countries where we have knocked on doors have begun helping us, and that is why we will be receiving medicine. We will soon be receiving food from Mexico, Cuba, Nicaragua, Peru, Colombia, Venezuela, and many other countries. They are aware that we deserve their support and respect because we have been able to fight to remain firm and have faced one of the most powerful countries in the world. That is why I say that dignity pays off. Panama has harvested the fruits of dignity, and we will be able to come out ahead because we are a respectful, fighting, and brave people.

You Panamanians are the reason for the success we have had so far because we have not succumbed and we have not died after our jugular was cut, as a U.S. senator said. This is the first time in history in which someone whose jugular was cut continued to live. This has happened in Panama, and we are an example for the world. We have the responsibility to continue making Panama great. Thank you.

Foreign Minister Ritter

PA1805192388 Panama City Domestic Service in Spanish 1618 GMT 18 May 88

[Speech by Foreign Minister Jorge Ritter at a "working meeting with the people" at the Juan Demostenes Arosemena teachers' school in Santiago, Veraguas Province—live]

[Excerpt] [Passage omitted] Throughout our history as a nation and even since colonial times, people born in this land have been concerned about their country, their struggle, and their nationality. Today that nationality formed by Urraca and General Torrijos has been attacked by the most powerful country on earth. The results of the economic sanctions have been explained in detail. It would be unnecessary to show what those results have been, because you have suffered and will

continue to suffer for many more months the results of the U.S. aggression of which we have been victims. Panama is paying a high price for having been a nationalist, independent country.

When Gen Torrijos signed the Torrijos-Carter Treaties, he knew we would be facing 22 years of constant struggle so the treaties would be completely fulfilled. But he died without knowing or even imagining that the country with which we had signed those treaties was going to carry out an aggression of this magnitude against Panama.

To show how far this U.S. aggression against Panama has gone, the law the U.S. President invoked to create the aggression has only been invoked twice in the past. In both cases they have been enemies of the United States: Libya and Iran. The U.S. President's action tells you that the actions of Manuel Solis Palma and Manuel Antonio Noriega are an unusual, extraordinary threat to the security and economy of the United States. It means that we are the ones threatening the U.S. economy and U.S. security. He signed that act, and thanks to that act additional economic sanctions were imposed, which are keeping the country in this condition. You are the ones paying the consequences of that abuse.

This was just the continuation of a series of aggressions that began last year and were designed to destroy Panama's economy.

I want to make a small explanation. The money frozen in the United States was keeping the banks closed—although today they are partially opened—and it is preventing new agricultural credits. This prevents public works from being carried out. This money was not frozen by the U.S. Government. It deposited the money in an account in the name of Mr Eric Arturo Delvalle and Mr Sosa. We would have preferred that they had frozen the funds and not deposited them in the names of private individuals who have free access to those funds.

I repeat, those funds are what is preventing the National Bank from fulfilling all its commitments and the banking system from operating normally. Countries in solidarity with us have understood the magnitude of that aggression. These countries cannot understand how this country has operated in the past few months without money, with the banks closed, and with a U.S. trade embargo. Moreover, those countries have also understood that the sole reason this can be explained is that this people and nation are prepared for any sacrifice as long as their dignity is respected.

International relations are not a difficult matter. International relations are simply an application of our deepest feelings of our relations with other countries. Relations among countries are like relations among people. Panama has not begged from anyone. It has not wanted to kneel before anyone. Panama is only asking to live as a nation and to be respected as a country. The decisions Panama makes on how to vote in international organizations, what countries it has relations with, and what treaties it signs with those countries are for Panama alone to make. Let its president make them. Let its government make them. Let no one else make them.

In such a critical matter as the current Central American problem, Panama committed the sin, in the eyes of the United States, of taking a different position and of being faithful to Gen Torrijos's legacy. That legacy is to make Panama an independent, nonaligned country. Because of that legacy we are paying the price of aggression. However, we are going to... [changes thought] That is why I told you we will have to continue paying. The aggression has not ceased. Long after that aggression ends—as a result of this people's determination to not allow themselves to be subjugated, and as a result of the great international pressure on the United States to end the most unjust aggression any country has ever faced—long after that, we will continue to suffer the consequences of this aggression. When the sanctions end and relations with the United States are normalized, this will not be the start of Panama's economic rebirth, nor will the economy recover to the point it was before. We will have to continue paying the sacrifice, under, of course, better conditions than the current ones. The current conditions are better than they were 1 month ago, however. They are immensely better than they were 1 month ago.

The government's plan, represented by this government team that today came to Veraguas, was designed in a very objective manner and in terms of a country under attack. This plan does not consider whether the United States will lift the economic sanctions it has imposed against Panama. We are planning to implement a plan to fulfill the Panamanian people's most pressing needs with the very limited resources available to us. [passage omitted]

Military Attache Position in U.S. Abolished

PA1805132288 Panama City ACAN in Spanish 0541 GMT 18 May 88

[Excerpt] Panama City, 17 May (ACAN-EFE)—The Panamanian Government has ordered the abolition of the position of Panamanian military attache in the United States, the Panama Defense Forces (FDP) Press Office announced today.

Naval Captain Jose Santos Motta had been in charge of the military and naval attache's office in Washington since 1983.

The military's communique said Santos Motta "notified the authorities in Washington on Monday, 16 May, of the conclusion of his military mission and of the abolition of the FDP office accredited to the U.S. Government and Armed Forces."

The communique states that "the fundamental reason for this action is based on the FDP's firm belief that there is no reason to remain in a territory where the

government has no respect for the dignity of the FDP's uniform and doctrine." It adds that "Panama does not recognize the Southern Command," headquartered in this country.

The communique also states that there are no "channels of communication" with the U.S. Armed Forces and that the General Staff's G-2 (military intelligence service) has ordered that meetings with its counterpart be discontinued.

The reason for this decision, the communique concludes, is that the United States "has organizations, both in its embassy as well as others recently assigned to psychological warfare, to obtain information inside Panamanian territory, especially from other embassies and foreign officials." [passage omitted]

Arrest of Two Dismissed Consuls Ordered

PA1905023188 Panama City MATUTINO in Spanish 18 May 88 pp 2, 8

[Text] A source in the Attorney General's Office has confirmed that the Superior Prosecutor's Office has been ordered to arrest Alberto Garcia and Eduardo Arango. They were the former Panamanian consuls in New York and London, respectively. They are accused of "usurping public duties and embezzlement."

The source added that Garcia and Arango withheld and embezzled Panamanian state funds in those two cities. According to the Penal Code, these are "criminal actions" that must be "punished."

The source said that all income that Panamanian consulates receive must be deposited in the name of the state. In addition, it must be reported to the Treasury within 30 days to be audited and entered into the national budget.

However, those two citizens arbitrarily withheld these monies and deposited them in a special U.S. Federal Reserve account, disregarding Panamanian law.

In addition, Panamanian justice considers this to be a criminal action and classifies it as "usurpation of public duties" since the government dismissed the consuls 2 months ago.

The Panamanian Government ordered the closing of consulates in major U.S. cities 1 week ago in order to prevent opposition members from carrying out duties in "an unlawful manner."

The United States continues to recognize President Eric Arturo Delvalle. The Panamanian Legislative Assembly deposed Delvalle on February 25. Therefore, the United States recognizes a number of officials from his government, including the consuls. According to top officials of the Solis Palma administration, one of the conditions to begin negotiating a solution to the Panamanian crisis with the United States is the suspension of the policy of intimidation that Washington uses against Panamanian diplomatic and consular officials in the United States.

Comptroller: 13th-Month Payments Staggered

PA1805161188 Panama City Circuito RPC Television in Spanish 2300 GMT 17 May 88

[Text] Panamanian Comptroller General Francisco Rodriguez has said that the process to pay the 13th-month bonus to public employees has begun. The payments will be staggered in line with the revenues the National Treasury is receiving.

[Begin recording] [Rodriguez] Cash payments cannot be made. On the other hand, this type of payment does not seem absolutely necessary, because the banks have opened and payments for goods and services are being made by checks, as is customary in this country.

[Reporter] Will issuing these checks to public employees result in the speeding up of a cataclysm, in other words, in large dismissals of government employees?

[Rodriguez] Not at all. One thing is not connected to the other. What we have been doing so far, I repeat, is responding to the public sector's existing legal commitments. We have been meeting our obligations. We have given priority to the payment of payrolls and certain very special expenses. These priorities will increase with the start of the school year, when it will be absolutely necessary to give priority to educational and health spending.

The bureaucracy or public sector employment is another matter. We mentioned this last year. We gave our opinion on that. We feel there are too many jobs in the public sector. The number of public jobs is much too high for what the public sector can afford.

The need to make certain adjustments within the public sector therefore becomes more evident now because of the economic difficulties we are experiencing due to a drop in revenues.

As we have also been stating, these adjustments will have to be based on certain criteria, particularly in sectors where services are required, such as education and health. Different criteria will apply to those sectors.

We will have to begin by reducing high salaries and eliminating retirees who are earning two salaries. We have also sent reports to state organizations on the cases of employees who hold two positions in different state organizations or who simply earn salaries but do not work for those organizations. [end recording]

Argentina

Alfonsin Terms PRC Relations 'Very Important'

PY1805151788 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1835 GMT 17 May 88

[Text] Buenos Aires, 17 May (NA)—President Raul Alfonsin said that the political relations between Argentina and the PRC are "very important." Alfonsin made this statement upon his arrival in Buenos Aires after a 70-hour official visit to Beijing during which he signed economic agreements.

Before landing at Ezeiza International Airport, Alfonsin made stopovers at the U.S. Anderson Air Force Base, on the island of Guam; and Papeete airport in Tahiti, in the Pacific Islands. Upon his arrival in Argentina, Alfonsin said:

"For me it was not only a successful visit, but one that also gave me great satisfaction."

The chief of state said that he had the pleasure of meeting in Beijing with the great PRC leaders, among them with CCP General Secretary [title as received] Deng Xiaoping and PRC President Yang Shangkun.

Alfonsin said: "I was deeply moved by the respect they feel for Argentina. There was great warmth, and we had the opportunity to reach agreements in various sectors."

In this sense he regarded as "very important the political relations between the PRC and Argentina, two countries that will play an important role and have a lot to say in the coming century."

Regarding commercial and political prospects, the president said that "they are very promising," and he mentioned the agreements reached in the steel, sugar, and grains fields.

Alfonsin added: "We return feeling very satisfied and believe that we have contributed to bilateral relations between the two countries."

When asked about the PRC stance in international politics, and especially regarding the Malvinas subject, Alfonsin said that "they have always supported us, and I had the chance to voice the Argentine people's gratitude for this support in the search for a peaceful negotiation for the recovery of Argentine sovereignty over the Malvinas Islands."

When asked about the establishment of a group for political consultations between the two governments, the president said that the initiative responds to the fact that it has been proven that the two countries share points of view on "various aspects."

"Argentina pursues peace, and I believe that the PRC is a very important moderating force for the future," said Alfonsin.

Alfonsin voiced his amazement over the rate of construction in Beijing, but he noted that the two countries have two different political systems with all the differences that includes." [quotation mark as received]

He ended by voicing his desire that more PRC officials visit Argentina because "new mechanisms that will help increase our foreign trade will be implemented."

Alfonsin was received at the airport by members of his cabinet. He resumed the Presidency of the nation he had temporarily handed over to Vice President Victor Martinez.

The three television channels run by the state (7, 11, 13) did not cover the president's arrival due to a strike to demand better salaries.

Brazil

Debt Negotiators Return; Talks Suspended

PY1905010488 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 18 May 88

[Text] Negotiations on the Brazilian foreign debt have been suspended. The Brazilian Government has not accepted some demands made by the creditor banks, and the Brazilian negotiators have returned to Brasilia.

The order to return came from the Finance Ministry. Sergio Amaral, the Finance Ministry secretary for international affairs, and Antonio de Padua Seixas, director of the Central Bank foreign debt department, have returned to Brazil and will stay here until the creditor banks decide to go back to the negotiating table.

The Brazilian negotiators spent 3 weeks in New York. Very few issues remain in the way of reaching an agreement. Yet, the negotiations came to an impasse over the last few issues.

The deadlock has occurred over two issues: The first is the seizure clause that the creditor banks demand, to avoid losses in case the borrower declares a moratorium on the debt. The second issue, which is not easily negotiable, is an unprecedented demand by a debtor country: Brazil wants the creditor banks to disburse loans without taking into account compliance with the agreement it is now negotiating with the IMF.

According to the Brazilian negotiators, there is no agreement over this issue among the creditor banks themselves.

[Begin Amaral recording] Our instructions are that we will return to New York as soon as the creditor banks conclude their reevaluation of these pending issues. [end recording]

Venezuelan Minister Arrives, Signs Accords

PY1805155688 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 18 May 88

[Text] Brazil and Venezuela have signed accords for the transportation of passengers between the two countries and for the construction of highway BR-174, which will join Boa Vista, Roraima, and the border area.

At the Foreign Ministry on 17 May, Venezuelan Foreign Minister German Nava Carrillo, who is on an official visit, will sign several accords and a memorandum of understanding. Nava Carrillo arrived in Brasilia on Monday. His visit coincides with the fourth meeting of the Brazilian-Venezuelan coordinating committee.

Last night the two countries signed accords on joint movie productions, passenger transportation along the Roraima territory border, and an agreement forbidding any type of construction within 30 meters of the border.

A memorandum of understanding for the construction of highway BR-174 joining Boa Vista and border landmark BV-8 also will be signed.

NBC-Capable Armored Car Undergoing Testing

PY1805034988 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 May 88 p 14

[By Roberto Godoy]

[Excerpts] The first Brazilian armored car capable of operating on battle fronts where the air is poisoned by radioactive, biological, or chemical weapons is ready and is secretly undergoing tests near Sao Jose dos Campos, on the grounds of ENGESA [Specialized Engineers, Inc.], which manufactured it. Until now, the small and maneuverable EE-3 Jararaca/NBC [nuclear,biological,and chemical] has performed "up to its specifications," according to a military expert associated with the project.

The new version is the smallest and most maneuverable model of the series developed on the basis of the EE-9 Cascavel wheeled armored car. This series includes the EE-11 Urutu personnel transport vehicle and the EE-18 Sucuri anti-tank vehicle. ENGESA refuses to talk about this new model, but yesterday admitted that a prototype has been manufactured. A regular ENGESA customer might be interested in this new model: Iraq, whose forces are being attacked with chemical weapons by Iran.

The new model, dubbed NBC (for nuclear, biological, chemical), is technologically comparable to Soviet and U.S. models. The EE-3 Jararaca/NBC is still as fast as its basic model, despite the addition of new systems necessary for its intended purpose. Outwardly, the main modification is that the turret is affixed to the main body in a manner that ensures an air-tight seal. A mobile turret that houses the gunner-vehicle commander is attached to the central section. The driver's seat is located in the front and is protected by armor and three bulletproof glass visors. The vehicle has a 3-man crew, and the gunner has to double as radio operator. Its standard weapon is a 7.62-mm machinegun, which is adequate for a reconnaissance unit. It can also be equipped with four smoke-grenade launchers to produce a smokescreen. [passage omitted]

Ready for battle, the new armored vehicle weighs 5.8 tons and has a range of 700 km. Its motor is a 120-horsepower Mercedes-Benz OM/314, which can reach a speed of more than 100 kph.

Paraguay

Pope Departs Country for Rome on 18 May

PY1905030688 Asuncion Red Nacional de Television in Spanish 0257 GMT 19 May 88

[By reporter Rodolfo Schaerer Peralta from Asuncion Airport]

[Excerpt] The Alitalia Boeing 747 transporting the pope is seen taking off at 0257 GMT. It will take about 11 hours of flight time before he arrives in Rome. [passage omitted]

Priest, Union Leaders Released 17 May

PY1805152088 Asuncion EL DIARIO in Spanish 18 May 88 p 18

[Text] Jesuit Priest Donald Bellinger, Ruben Lisboa, a union leader, and campesinos Victor Martinez and Celestino Chamorro were released during the early morning on 17 May. They were detained as they were leaving La Encarnacion Church, where they were participating in a hunger strike with 200 other campesinos.

After learning that the men had been released, the campesinos at La Encarnacion Church decided to end their strike, which they had started with the intention of bringing Pope John Paul II's attention to the situation of the campesinos in Paraguay.

During the morning of 17 May these same campesinos met at the Italia Plaza to wait for transportation that would take them to their respective homes, but they were again harassed by police, who urged them to quickly leave the area.

Peru

Prime Minister on Antiterrorist Organization

PY1805194388 Lima Television Peruana in Spanish 0100 GMT 18 May 88

[Text] In a news conference held after his installation, Prime Minister Armando Villanueva del Campo announced the creation of an organization to coordinate antiterrorist methods and tactics. He said its creation will be discussed during the next cabinet meeting.

The prime minister explained that both the correct and the mistaken methods that have been used will be evaluated during the meeting. He said this government has never supported, and will never support, a dirty war and that the government will continue to unrestrictedly respect human rights.

Villanueva del Campo explained that the attempts to reach an agreement with the political parties have not failed and will continue to be sought.

[Begin Villanueva del Campo recording] I have said that the current cabinet will give fundamental importance to the antisubversive fight. In order to do so, the authority of the government will be strengthened and the security of the people and the nation will be reinforced and emphasized to the maximum. We will thus earn the confidence that the people placed in the government at the time of the 1985 elections. The government has never failed to deserve this confidence, but the violence of some sectors has endangered this confidence.

I wish to tell the people that during the next meeting of the Council of Ministers, we will discuss the creation of an organization to coordinate methods and tactics with which to fight terrorist subversion. We will thus show that, as President Garcia has said, our democracy knows how to defend itself, how to organize the people, and how to fight.

We will not resort to authoritarianism to overcome subversion and drug trafficking, because authoritarianism means the abuse of authority.

We will not resort to any type of dirty war, just as we have never resorted to it before. This government will continue to respect human rights and will be very strict in judging the actions of those who govern the country.

In the name of the government, I make a last call to those who resort to no other argument but that of violence. I ask them to give up their violent methods. If they refuse to do so, our democracy will vigorously fight them with all the means granted to it by the laws and the Constitution.

Since yesterday, the members of the cabinet have been holding meetings with the president of the Republic to analyze the achievements, mistakes, and prospects of each government sector regarding national life.

We have a very clear and defined program to present to Congress. We will make a call to all parties and sectors in general—to the sectors that do not belong to any party, to the labor forces and organizations, and to all institutions in general. We will ask them to contribute to a program founded on national solidarity and aimed at attaining great national goals.

Personally, I will contact each one of these sectors, as I have done, and as I am continuing to do as head of the party mission that seeks to achieve unity and harmony among parties.

I believe that if we can count on national solidarity toward national goals, we will show that we are worthy of Peru and that Peru is worthy of us. [end recording]

Incoming Foreign Minister to 'Maintain' Policy

PY1805155088 Lima Domestic Service in Spanish 1200 GMT 18 May 88

[Text] On taking over as the new foreign minister, Dr Luis Gonzalez Posada said at the Foreign Ministry that he will maintain the policy guidelines followed by his predecessor, Allan Wagner Tizon.

[Begin recording] [Wagner] The country will judge the results of my 34-month term, because I am not the one who should do it. As I said when I took over, I would like to be remembered not by the good things I did but by the bad things I did not do. I express my best wishes for success to my friend Luis Gonzalez Posada in his post as foreign minister. I am sure he will discharge his duties with dignity, efficiency, and intelligence, to the benefit of our fatherland. I ask all of you to give Dr Gonzalez Posada the same cooperation, loyalty, efficiency, professionalism, and friendship that you gave me, because we feel that Dr Gonzalez Posada is already a member of this house. Thank you, very much. [applause]

[Gonzalez] We have clearly stated that we will firmly maintain the substantive guidelines of Peruvian foreign policy and that we will have the cooperation of the diplomatic corps in order to properly discharge our duties. We are an anti-imperialist country in keeping with our Constitution, with our democratic beliefs, and, in my case, with my membership in APRA. Peru rejects all forms of colonialism, neocolonialism, and racial discrimination. We firmly defend the national sovereignty, and we reject all forms of intervention. We maintain a position of solidarity with Latin America and Central America. We have a strong faith in peace. Consequently, I reiterate that we will maintain our firm, sound, and stable position and that we will work with devotion, love, and affection, which are necessary to attain the major national objectives.

[Reporter] (?What will be) the first step in your diplomatic work?

[Gonzalez] The government policy remains unchanged. We will maintain the current policy. Dr Allan Wagner has discharged his ministerial duties with dignity, efficiency, and talent, and he has shown a remarkable ability to gain support for our policy. Therefore, the government and the nation can only be thankful for his valuable work, which all the people have recognized. [end recording]

Ayacucho Mayor Accuses Military of 'Genocide'

PY1805171388 Madrid EFE in Spanish 0129 GMT 18 May 88

[Text] Ayacucho, 17 May (EFE)—Today Ayacucho Province Mayor Fermin Asparren charged military forces with killing more than 100 peasants in the locality of Cayara in indiscriminate armed actions against the people.

The mayor charged that the peasant massacre occurred last Saturday and Sunday in Cayara, 170 km south of Ayacucho, in Victor Fajardo Province. The mayor levelled the charges at the municipal council headquarters.

No official report has been released on the issue in Ayacucho or in Lima, where Prime Minister Armando Villanueva del Campo said during a news conference that he had no information on the issue, but he said that he "did not believe it to be true."

Asparren released a municipal council communique "reporting to the public a genocide," adding that more than 100 have died in Cayara.

The communique said that the Armed Forces killed "all the men" they met in their raid in the locality as "retaliation" for the death of eight military men during a clash with alleged members of the "Shining Path" terrorist group in Huancapi on 13 May.

The comunique mentioned the names of 36 people allegedly killed in Cayara by the military who are stationed there.

The communique, which said that the massacre was reported by people coming from the area who gave details of the action, asked that the Peruvian congressional human rights committees travel to the area to investigate the charge.

The mayor added that he reported the case to the attorney general and to the Ayacucho Province attorney.

Barrantes on Government Cooperation, Coups

PY1805012688 Lima Television Peruana in Spanish 0100 GMT 19 May 88

[Text] Today Former Lima Mayor Alfonso Barrantes said that no political party can deny its cooperation to the government to overcom the crisis and to therefore contribute to the democratic stability of the country.

The people from the left are, and will always be, against any coup, he added, alluding to the rumors of a coup d'etat, which can only originate from the ultraright or the ultraleft. Those groups are really dangerous for national life, he emphasized.

Uruguay

UK-Argentine Talks 'Might Begin' in Montevideo

PY1805165888 Montevideo Radio Libertad Sport in Spanish 1600 GMT 18 May 88

[Text] A secret meeting between Argentina and Great Britain over the Malvinas Islands might begin in Montevideo with the visit to our capital of Timothy Eggar, British under secretary for foreign affairs, congressional sources have said. The British diplomat, who will arrive in Montevideo on Saturday on a 1-day visit, will meet Foreign Minister Barrios Tassano and the Foreign Affairs Committee of the Chamber of Deputies. Eggar will talk with Uruguayan Government officials and congressmen. Concerning the Malvinas Islands issue, congressional sources have not ruled out the possibility that a secret dialogue might begin with Argentina, following negotiations held by the United States.

Guyana

President Hoyte Returns From London, Brussels

FL1805185588 Bridgetown CANA in English 1700 GMT 18 May 88

[Text] Georgetown, Guyana, May 18, CANA—Guyana's President Desmond Hoyte returned home Tuesday night after a ten-day investment promotion visit that took him to London and Brussels.

The state-owned CHRONICLE newspaper said a key outcome of Hoyte's visit to the United Kingdom has been the reestablishment of the traditional relationship and understanding with British companies, some of which had previously been engaged in Guyana. It said a number of these companies are now considering the appropriate model for involvement in this stage of Guyana's development.

The businessmen are appreciative of the potential for new investment and for the expansion of existing ones. They understand that the environment has the capacity to accept new investment and to turn them over properly. They are appreciative of President Hoyte's statement that there is business to be done in Guyana new and Guyana is willing to do business the CHRONICLE added.

In London, where Hoyte spent the greater part of his 10 days overseas, he met with senior executives of several British companies, Guyanese businessmen based in Britain and with Guyanese nationals. He also paid a courtesy call on British Prime Minister Margaret Thatcher and met with British secretary of state for foreign and Commonwealth affairs for a review of bilateral developments.

In Brussels he paid a courtesy call on Belgium prime minister, Wilfried Martens and met and held discussions with vice-president of the European Economic Community (EEC), Lorenzo natali.

In keeping with the now customary practice following his overseas trips, the president is likely to convene a meeting of the Supreme Congress of the People to report on the outcome of his visit. He is also expected to report on the visit at a general council meeting of his ruling People's National Congress (PNC) this weekend. The general council, which meets quarterly, is the highest decision-making forum of the party between biennial congresses.

Guysuco Holds Emergency Meeting on Drought
FL1805155988 Bridgetown CANA in English 1507 GMT 16 May 88

[Text] Georgetown, Guyana, May 16, CANA—Senior field and associated personnel of the state-run Guyana Sugar Corporation (Guysuco) met in emergency session last Friday to discuss the effects of the current drought conditions in Guyana on the local sugar industry. According to a Guysuco statement, in addition to adversely affecting the current first crop, it is anticipated that the drought will affect production for the year's second crop as well as next year's first crop. It said Friday's meeting examined the effects of the drought not only on the growth of canes but also on systems, infrastructure and equipment within the industry.

A key decision taken at the meeting was that estates should apply supplementary fertiliser treatment as soon as possible to boost cane growth and juice quality for the second crop. Various other measures were also decided upon to efficiently maximise on the expected rains and so avoid any serious shortfalls in production for the next two crops, Guysuco said.

Meanwhile, the drought conditions continuing and the rains of the traditional May-June (rain) wet season not yet materialising, reports from the sugar belt said the transportation of canes from the fields to the factories has been badly affected by the reduced levels of water in the canals in which punts laden with cane are usually hauled.

Guysuco reported over the weekend that as the first crop came to a close, 20,055 tons of sugar were produced last week taking production for the crop so far to 71,820 tons or 74.3 percent of the estimated output. Four of the corporations eight factories are still grinding.

Paper Fails To Appear Due to Newsprint Shortage
FL1805154088 Bridgetown CANA in English 1545 GMT 16 May 88

[Text] Georgetown, Guyana, May 16, CANA—The weekend edition of the privately-owned STABROEK NEWS failed to appear on Sunday because of newsprint problems, the newspaper company said. The statement by the management of the 17-month-old tabloid which started printing locally last December, said the paper's non-appearance was due to the company's inability to obtain newsprint from overseas in time. As a small-lot buyer, it is extremely difficult to schedule deliveries, the management said.

The statement said the state-owned CHRONICLE newspaper was kind enough to loan the STABROEK NEWS some rolls of newsprint but unfortunately, these could not be used on the STABROEK NEWS press. We are expecting a shipment of newsprint next Friday. We are still hopeful that our technicians will be able to adapt our press to accommodate the rolls we have borrowed, the paper said. If they can, we will be on the news stands on Wednesday. Failing this, we aim to be back on the road next Saturday if our newsprint arrives on time.

In addition to its weekend issue, there is also a mid-week issue of the STABROEK NEWS. Before it started printing locally, it published only a weekend issue which was printed by the EXPRESS Newspaper in Trinidad and flown to Guyana.

Suriname

Talks Held on Resuming Aid to Suriname
PM1705090588 Rotterdam NRC HANDELSBLAD in Dutch 9 May 88 p 1

[An Salomonson dispatch: "Suriname To Bide Its Time on Ambassador"]

[Text] Paramaribo, 9 May — As soon as the cooperation agreement between Suriname and the Netherlands is resumed, the Surinamese Government will send an ambassador to The Hague.

This promise has been made by the government in Paramaribo, where Netherlands Development Cooperation Minister Bukman began talks with Vice President Arron and Finance Minister Mungra this morning. The subject of the talks is how the cooperation outlined in the 1975 agreement, which has been suspended for about 5 years, is to be resumed.

As soon as the agreement is functioning again the Surinamese Government will consider relations with the Netherlands to have been normalized. Civil servant Ramkisoor, a Hindustani who studied in Waageningen, is being mentioned as a possible ambassador. Back in March the Netherlands appointed Dr J.K. Hoekman as its new ambassador in Paramaribo. He also held the post from 1981 to 1984.

Whereas tacks were scattered on the road when Foreign Minister Van den Broek visited Paramaribo 2 months ago, Bukman's arrival yesterday evening passed without incident. Minister Mungra welcomed him at the airport.

Bukman told Surinamese journalists how glad he was that a new, democratically elected government is in office in Suriname. He tried to allay the great concern that has arisen here over the Netherlands plan to "internationalize" aid by giving assurances that the Netherlands Government will meet in full its commitments contained in the development cooperation agreement.

"But it must be pleasing for the Surinamese Government if other countries and international organizations also support the new democratic government. It is a matter not of taking something away, but of adding something," Bukman said.

Talks Break Down

PM1805095188 Amsterdam DE VOLKSKRANT in Dutch 13 May 88 p 1

[Theo Klein dispatch: "Negotiations on Aid for New Surinamese Government Fail"]

[Text] Paramaribo—The negotiations on development aid for Suriname have broken down. Suriname refuses to allow a painful World Bank economic cleanup plan to be forced on it by the Netherlands. "We decide ourselves what advice we seek. Suriname does not want to have to win approval first," Finance Minister Mungra said yesterday at the end of the negotiations. It will be impossible to talk with Netherlands Development Cooperation Minister Bukman about the financing of the Surinamese recovery program (costing 500 million guilders) as long as Paramaribo does not give way on this point.

The talks will continue in July. In tough negotiations Minister Bukman did not give an inch. On the last day the Netherlands "offer" was limited to 30 million—an initial sum for medicines, food, and the most urgent spare parts for industry. The Surinamese Government will accept this sum only if it is not counted against the 1.6 billion guilders of development aid still owed to Suriname.

Although Mungra said yesterday that the issue should not be "dramatized," yesterday's breakdown of the talks came at an inopportune time for the Surinamese Government. The population was counting on a considerable contribution from the Netherlands in the short term. According to Mungra, a financial injection cannot really be expected soon: "And our economy is weak, sick, and rotten." The minister noted dryly that the "new businesslike approach of Bukman has hit very hard."

After long delays the Surinamese delegation Wednesday [11 May] named the price of the recovery program designed to halt the recession in the economy in the coming months—500 million guilders. To this must be added a Surinamese claim for 260 million guilders in retrospective payments. This was completely unacceptable to Bukman. The minister denied that the Netherlands was concerned to force the advice of the World Bank on Suriname. Bukman said, "I hope that the discussion on this point can continue."

The fact that the Surinamese delegation remained stubbornly firm is largely attributable to the influence of the military authorities on the stance of the Surinamese Government. In advance consultations the military made it clear to ministers that no concessions could be made to the Netherlands on the main issues. Yesterday the army leadership had still not commented on the outcome of the negotiations. However, it is known that the military is reasonably satisfied with the approach of the Surinamese negotiators, although before the talks it thought that they should have done their "homework" better.

If it is up to the Army leadership, the Surinamese Government will stubbornly maintain its stance in the second round of talks in July. If the worst comes to the worst, the Netherlands would have to be forced via the International Court of Justice in The Hague to implement the aid agreement (read: pay the money owed).

From the initial reactions of organizations in Surinamese society it seems that not everyone in Suriname is unhappy with the Netherlands stance. Spokesmen for the employers' organizations have welcomed the fact that the central government apparatus has been prised apart in this way and industry and commerce been given another chance.

Details of Breakdown

PM1805100988 Amsterdam DE VOLKSKRANT in Dutch 13 May 88 p 6

[Theo Klein dispatch: "Bukman's Businesslike Approach a Shock for Suriname"]

[Text] Paramaribo—The people and government of Suriname discovered this week with a shock that the Netherlands is no longer the "sugar daddy" it was in the seventies. In a way that was not to be misunderstood [Netherlands Development Cooperation] Minister Bukman made it clear that Netherlands aid will now be granted only on stringent conditions.

The indulgence which characterized the Netherlands attitude in the first years after independence is now definitely out. "Then the politicians in The Hague were falling over each other to meet Surinamese wishes, out of fear of being seen as neocolonialists," said one of the diplomats involved.

The results can be seen everywhere in Suriname: failed prestige projects and no decrease in the great dependence on the old colonial power. "Unless we link our aid to a drastic policy of economic readjustment, Suriname will be just as dependent in 1996, when the development aid kitty has been used up, as it is now," Bukman said yesterday in Paramaribo, where he left behind him a battered Arron cabinet. Education Minister Venetiaan said, "In the past something could always be settled with [former Netherlands Labor Party leader] Den Uyl at the last minute. But that does not work anymore."

The Netherlands minister gave the same recipe to the Surinamers that the Netherlands has been using for years with other countries which receive a great deal of aid. Large sums can only be handed over if the Surinamers put their own house in order. The bottomless and leaky barrel must be made watertight and this must happen using the methods prescribed by the World

Bank: a cleanup of government spending and a reasonable chance being given to a free market economy. Only viable investments of development aid, and no eating up of capital.

The historical ties between the Netherlands and Suriname do not give Paramaribo any right to a special position, Bukman told his Surinamese counterparts. Old sentiments that have played an important role since 1975 can therefore be forgotten. This was nothing less than a culture shock for the Surinamese politicians. Badly prepared and still in a politically unstable situation, they had for the first time to deal with the clog diplomacy of farmer Bukman.

The Surinamese minsters began Monday in the traditional fashion, with inflated demands which were hardly founded on sound fact. The so-called restoration plan (or crash plan) for the coming months, bombastically described by Finance Minister Mungra as "a matter of life or death," appeared to be very flexible and hardly specific. Bukman did not need much time to deal with it. The lamentations of their excellencies the ministers could be taken into consideration only if the World Bank's long-term remedy was accepted. "Otherwise we would be giving money for a ferryboat now, but after a while it might perhaps be decided that it would be better to build a bridge," was how the Netherlands minister described his dilemma.

On Monday [9 May], the opening day of the talks, a claim for 260 million guilders which Suriname itself has spent on development projects since 1982 was briskly consigned to the wastebasket by the minister. The Surinamese delegation needed to take a break for a meal in order to recover somewhat from the shock. On Tuesday they realized that it was impossible to reach a deal with this Netherlands representative. Minister Mungra even tried to prevent any news of the likely debacle leaking out.

Without giving any reason, he wanted to scrap the news conferences that had been announced. This is nothing unusual by Surinamese standards, but it was unacceptable to the Netherlands delegation. As the only concession it was accepted that a special venue for the meeting with the press would not be hired. The representatives of the media must not have the chance to sit down comfortably for the encounter. Thus, the entertaining duo of Mungra and Bukman appeared standing in the corner of a hotel lobby, in an unsuccessful attempt to conceal the conflict.

On Wednesday the Surinamese made a last desperate attempt. The advice of the World Bank to put forward realistic proposals was completely ignored. Laconically they put two typed sheets of paper on the table outlining global investment plans, a hastily enlarged crash program. The price: 500 million guilders. It was an attempt to settle accounts quickly, because the economic malaise was after all caused largely by the Netherlands. According to reports, at that moment Bukman threatened to lose his self-control, too.

Finally the two delegations made efforts to save what could be saved. The readiness of both countries to hold further talks in July produced a modest emergency package totaling 30 million guilders. By July there must be more information about Suriname's long-term economic plans, and it is also possible that the government in Paramaribo might perhaps have consolidated its position somewhat.

In acting as he did Bukman adhered largely to the line mapped out by a majority in the second chamber before his departure. It was already clear that for political reasons he could not leave the Surinamese minister completely emptyhanded. The civilian government still has to pay scrious attention to the presence of the military. In fact Bouterse determines the margins within which the ministers can maneuver. It was no accident that on the eve of the talks he was relentlessly critical of the Netherlands. Every government failure weakens the positions of the ministers vis-a-vis the Army leader. The Arron cabinet urgently needs positive results in order to show the people that things can go better in a democracy. Acceptance of the recovery program by the Netherlands would undoubtedly have promoted political stability in Suriname.

According to Bukman, he also took this important aspect into consideration. However, that was not enough to prevent him from insisting on his very tough condition of an economic cleanup—and consequently from causing the failure of the talks. The limited emergency package totaling 30 million guilders—and even here there was not full agreement between the two delegations—provides, in Bukman's view, sufficient solace for the Surinamese Government to be able to get through the coming months.